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The Commercial and FINANCIAL CHRONICLE

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Burley With Cleve. Reserve

Orin E. Burley, former Associate Professor of Business Organization at Ohio State University, has been appointed Industrial Economist of the Federal Reserve Bank of Cleveland, it has been announced by President M. J. Fleming.

Orin E. Burley

Mr. Burley will supervise industrial research carried on by the bank and will initiate studies in marketing that are particularly important to the Fourth Federal Reserve District, according to Kenneth H. MacKenzie, Vice-President in charge of statistics and research.

A native of West Union, Adams County, Ohio, Mr. Burley is author of the book, "The Consumers' Cooperative as a Distributive Agency," published in 1939, and co-author of the book, "An Intro-

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IN THIS ISSUE

Special material and items of interest with reference to dealer activities in the States of Connecticut, Michigan and Missouri included in this issue. Connecticut on page 290; Michigan 290; Missouri 291.

General index on page 304.

Monetary Chaos

By DR. MELCHIOR PALYI

Chicago Economist Sees Continued Inflationary Potentialities In (1) Excess Of Savings Over Investment; (2) Continued Shortages Of Durable Consumer And Producer's Goods; (3) Reconversion Delays; (4) Increased Foreign Demand For American Products; (5) Continued High Wage Levels And (6) A Widening Gap Between Demand And Supply Of Available Goods

Four Kinds Of Post-War Inflation

Gradually it dawns on the American public that the inflation problem is not identical with the problem of balancing the budget, thorny as that will be. Balancing the budget, if and when it will be accomplished, will have the effect of stopping the "printing" of more purchasing power, and will therefore stop one source of post-war inflation. But it will leave open the second and most important threat, namely, the danger that the vast amount of liquid funds accumulated during the monetary inflation will burst into the markets and raise prices sky-high. After the war, commercial credit expansion may add more fuel to the fire. Lastly, there is the "psychological" threat that, once prices start to rise, a rush for goods may be created.

Dr. Melchior Palyi

The last-mentioned danger, that of "self-inflammatory inflation," presupposes substantially rising prices, and may therefore be dismissed at present—so long as it is

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"Unconditional Surrender"

By NORMAN THOMAS*

Socialist Candidate for President

Presidential Aspirant Criticizes Unconditional Surrender Policy As (1) Substituting Gratification Of Power For Solution Of Problems; (2) As Being Misleading; And (3) As Causing Enemy Peoples To Unite And Prolong The War—Urges A Peace Based On Mutual Forgiveness

At Casablanca when the lack of unity between the USSR and the English-speaking powers was even more obvious than it is today, the President and Mr. Churchill threw out the phrase "unconditional surrender" as a war aim. It was boastful and assertive and if the Gallup Poll is to be believed, it won the approval of a great majority of Americans. It spared them and their leaders for a time from the painful necessity of thinking. But if a whole host of witnesses, the latest of whom is the artist, George Biddle, are to be believed, the phrase was a failure in building up the morale of the American soldiers. These reporters still complain that our boys, despite their bravery do not know what they are fighting for, except to get home. For which situation they blame all sorts of people and things except the right ones. The lack of passionate feeling about definite war aims among our soldiers is the natural conse-

Norman Thomas

*An address made by Mr. Thomas before the Student Christian Association at Brown University, Providence, R. I., on July 18, 1944.

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Monetary Conference Near End

By HERBERT M. BRATTER

Special Correspondent of "The Commercial and Financial Chronicle"

Conference Prolonged But Monetary Fund Set Up—Total Incresed By $800,000,000 With Larger Russian Quota—U. S., Britain And Russia Given Voting Control—Smaller Nations' Reaction Seen In Mexico's Protest Regarding Gold Parities—Silver Agitation Likely To Continue—Devastated Countries Seek Relief From Contributions To Bank

BRETTON WOODS, July 19—As might have been expected, the International Monetary Conference was not able to complete the business of dressing up both the International Monetary Fund and the Bank for Reconstruction. The Conference prolongation is, in large measure, attributable to the physical exhaustion of many "key men" who have been working hard and long in advance and during the proceedings at Bretton Woods.

Herbert M. Bratter

The three-day extension granted, under protest, by the management of the Mount Washington Hotel, desirous of accommodating its regular guests, may not be sufficient for a final agreement by the delegates regarding the structure and functions of the international bank. However, the main features of both the Fund and the

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Insurance Supervision—Where Draw The Line?

By LOUIS H. PINK

Former Superintendent of Insurance, State of New York
Author of "Freedom from Fear"

Former State Insurance Official Maintains That The Insurance Business Cannot Be Conducted With Intelligence And Safety If Anti-Trust Provisions Are Enforced Against It—Sees Need For A Truce Regarding The Question And Suggests A Plan Of Joint And Cooperative Regulation By The States And The Federal Government, Similar To Canadian System.

Insurance and the Anti-Trust Act

The decision in the South-Eastern Underwriters Association case, though not unexpected, came as a blow to the institution of insurance.

Louis H. Pink

It is interesting that the earlier cases upholding the right of State supervision, such as Paul vs. Virginia, were brought by insurance companies seeking to weaken or eliminate supervision by the States, and that until about 40 years ago Federal supervision had some advocates among insurance commissioners, and active support from some of the larger companies, such as the Prudential and the Union Central.

The Armstrong investigation shook State insurance to its foundations and made it rebuild itself on sound lines. This and the reforms which followed eliminated most of the criticism of State supervision, and led to a steady growth in efficiency and prestige. The National Association of Insurance Commissioners, while a voluntary body, has also contributed considerable uniformity and has helped to attune State supervision to the national scheme of things.

Today a large majority of those connected with insurance would like to see State supervision prevail and fear the entrance of the Federal Government into the picture.

It is of interest that while a bare majority of one of the judges felt that the Sherman Anti-Trust Act applies to the business of insurance, all nine were agreed that,

(Continued on page 292)

Jordaan Grannemann Joins H. Hentz & Co.

Jordaan Grannemann has joined H. Hentz & Co., 60 Beaver Street, New York City, members of the New York Stock Exchange and other leading exchanges, and is in charge of the public utility division of the research department. Mr. Grannemann was formerly associated with the St. Louis Union Trust Company.

Lockton Opens

INDIANAPOLIS, IND.—Richard C. Lockton is engaging in a securities business from office at 6479 North Illinois Street. Mr. Lockton in the past was with City Securities Corporation.

Big Business Accused Of Seeking Control Of Legislation

CIO Official States That Industry Does Not Want Every Person To Have A Job—Defends The CIO Political Action Committee As A Defense Against The Encroachment Of Big Business

Carl Holderman, New Jersey State Chairman of the Political Action Committee of the Congress of Industrial Organizations, in an address before the annual convention of the Hudson County Industrial Union Council at Jersey City on July 16th, charged that "big business was conspiring to capture the legislative processes of our democracy," and he pointed to the election of Albert W. Hawkes as New Jersey's Senator and Walter E. Edge as New Jersey's Governor as putting "big business representatives" in office "because many of us stayed away from the polls."

Carl Holderman

"There has been a great deal of criticism from many sources, and even among our own members, about the CIO going into politics," said Mr. Holderman. "Reasons why," he continued, "CIO has decided to make political action No. 1 on the agenda for work during 1944: We found ourselves facing a crisis in American history this year. I find that that crisis has been built up for the past several years because big business in America has sought to capture the legislative processes of our democracy. In 1940 when the plan was first considered by the National Association of Manufacturers they planned to elect to the legislative halls, in the State and Nation, representatives of big business so that our great democracy would operate in the interest of big business instead of in the interest of the great number of workers.

"The entire complexion of our Congress," continued Mr. Holderman, "changed within the course of a few years. Today the majority of men in the Congress of the United States, instead of representing the people who elected them to office, instead of representing the great mass of American workers who live by their pay envelope, represent the coupon clippers of America who by power of wealth, have been able to impose their will upon the people of this country. They have outlined a program, part of which has been developed during the last couple of years. The program of big business calls for the gradual shifting of the tax burden

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The Real Issues At Bretton Woods

By PHILIP CORTNEY
Vice-Chairman and Treasurer, Coty, Inc.

Reader Maintains Most Serious Problem Concerns Britain's Balance On International Account—Predicts British Empire Economic Autarchy And To Prevent This Advocates U. S. Assume Responsibility For Large Part Of Foreign Deposits In English Banks, And Grant A Long Term Loan At Low Interest To British—Points To Need For Sound Domestic Policies For Monetary Stability

Mr. Walter Lippmann, in his column in the New York "Herald-Tribune" of July 13, writes the following:

"It has been impossible for the general public to obtain any idea of what the Bretton Woods conference is about. Though it is concerned with questions which will affect men's lives deeply, the language of monetary policy is understood by very few men in any country."

Philip Cortney

I fully agree with Mr. Lippmann. Disquieting as the apathy of the general public toward the international conference at Bretton Woods may be, it is understandable for the reason explained by Mr. Lippmann. What is more serious is the lack of constructive criticism directed at the plan. Whatever objections have been raised against it have consistently managed to elude the real issues. It will be impossible, we submit, to obtain either Congress's cooperation or that of the general public to whatever measures may be necessary to restore international cooperation and trade if the people are not enlightened as to the real issues at stake and their importance to the United States.

(Continued on page 289)

Germany's Strength

By DR. MAX WINKLER

According to authentic advices regarding economic and financial conditions in Germany, the status of the Third Reich would appear to be much stronger than is believed or desired. For a number of years attention has been directed to the marked deterioration in the economic position of Germany. A great deal of this "information" emanated from groups acting as economic advisers and consultants to numerous instrumentalities both governmental and private. These, or at least a great number of them, are relatively recent arrivals from Central Europe. Upon arrival in the United States, they chose a profession which can be carried on with relatively greater ease than such professions as require special skill and training.

Dr. Max Winkler

The field they selected was that of economics, and they soon discovered that it is simple to pose and be accepted as an economist and expound economic dogmas with impunity. It was probably wishful thinking that they harped incessantly on the economic disintegration of Germany. It is not unlikely that mistakes may have been made because of such advice and action resulting therefrom.

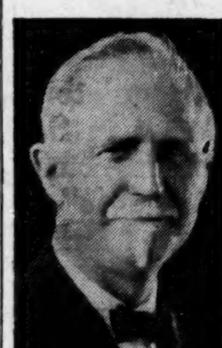
A much more dependable insight into German's economic status may be gathered from a report made public recently by the Credit Suisse, the oldest of the large commercial banks in Switzerland. According to the report, the cost of living index in Germany at the beginning of the

(Continued on page 299)

Half-Year Review And Forecast

Babson Says War Boom Is Over

BABSON PARK, MASS., July 14, 1944—Business volume has been maintained at such a high level since Pearl Harbor that it is hard for some to realize that there can be any slowing up. However, the past six months witnessed the beginning of the end of our current war boom. As we enter the third quarter the trend will continue downward. From this point on business will have to adjust itself to quite different conditions; with a gradual resumption of more normal activities.



Roger W. Babson

The Stock Market

During the past six months stock market averages of 30 industrials and 20 rails have risen from 86.04 in January to 92.69 in June. This is a rise of 7.7%. All things considered, the market has acted well during the first half of the year. Our taxes on capital gains and the double taxation on corporate dividends continue to be distinct drawbacks. London investors have no capital gains tax to contend with. Hence, the prices of English stocks are outpacing U. S. securities.

I have been bullish on stocks during the past six months and I now continue so. The coming third quarter is especially apt to show a rise in view of the Presidential campaign. It may seem odd for me to forecast a decline in the volume of business and at the same time to expect a rise in security prices; but the relief which investors are experiencing

(Continued on page 300)

"What's All The Shooting About?"

In the "NASD News" for June of 1944, an article appears bearing the title "Charges And Claims About NASD Cited And Answered" and the subheading "What is all the shooting about?" Therein an effort is made to justify the activities of the Board of Governors with respect to "mark-up practices."

Since we have done considerable of that "shooting" we feel an answer to be particularly within our province.

We regret that the article is unsigned, and that nothing in the contents is indicative of whether the text was submitted to, and approved by, every member of the Board before it was released.

We quote:

"The Board of Governors has chosen not to answer the attacks made by people entirely outside the Association. But individual Governors, the Officers and District Committees of the Association have met with numerous groups of members in various parts of the country and more such meetings are scheduled — all for the purpose of answering members' questions and to remove any cause of misunderstanding; inquiries from members on the October letter have been answered promptly and directly. Any reasonable demand for information has always been satisfied. The Board welcomes letters from members on this or any other NASD subject. It is anxious that its purposes and objectives be clearly understood by members at all times."

Is the Board so keen on furnishing information as the above paragraph would indicate? If so, let's have the proof. Again and again, through these columns, we have challenged the Board to disclose what conferences on the "5% spread policy" were held between

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NSTA Advertising Notes

Your National Advertising Committee is pleased to inform our members we now have over $2,800 in advertising for our special supplement going in the "Chronicle."

President William Perry Brown's letter to the membership should speed up sales by our members. If you don't know of our participation in this advertising, we suggest you contact a member of your National Advertising Committee.

Added to the list of names given in these columns last week (as constituting our National Advertising Committee) is Bert Horning of Stifel, Nicolaus & Co., St. Louis, Mo.

We have received advertisements from Buffalo, Jacksonville, Miami, West Palm Beach, Memphis, New Orleans, St. Louis, Los Angeles, Louisville, Detroit, Toronto, Canada, New York, Cleveland, Cincinnati, Indianapolis and Chicago.

We are indeed very grateful to Hart, Smith & Co., New York, for the largest ad placed so far, being the back cover of our supplement.

You all now have contracts, so please endeavor to get them signed. Get other investment houses and firms outside the stock and bond business to come along, too. Many corporations can be prevailed upon by our members to take a full-page space for $350, or half-page for $200. It's up to you to give your Association a hand in getting business of this character, too. The advertising value is certainly there in a big way.

K. I. M.

Harold B. Smith, Chairman NSTA Advertising Committee, Collin, Norton & Co., New York, N. Y. A. W. Tryder, Vice-Chairman NSTA Advertising Committee, H. T. Greenwood & Co., Philadelphia.

"Mark-Ups"

By J. GENTRY DAGGY *

The Question Of "Mark-Ups" Is Largely Self-Regulatory Because Of Confidential Ties That Bind Dealer In Securities To Customer—Holds A "Full Disclosure" Rule Would Be Like "Compelling Macy's To Tell Gimbels"—Cost Factors And Dealer's Risks Determine Market Spreads And Mark-Ups

Inasmuch as profits in the securities business, as elsewhere, are directly related to costs, it would seem appropriate to discuss, from this viewpoint, certain fundamental differences in security transactions as executed on national exchanges and as negotiated in the over-the-counter markets.

J. G. Daggy

Certain types of securities lend themselves readily to auction trading and are properly dealt in on the national exchanges. We have seen that issues which fail to possess these characteristics — securities that can be distributed only by the employment of salesmanship and merchandising — properly belong in the over-the-counter markets where adequate sponsorship is available.

Both types of market are essential in their respective spheres of activity; they are closely related but with fundamental differences, and it is only when the lines of demarcation are indiscriminately crossed that trouble ensues.

Within the business, at present, there is a deal of heated argument and disruptive turmoil concerning the matter of allowable over-the-counter profits. There is not the slightest protest on the

*Taken from a report prepared by Mr. Daggy for the Investment Traders Association of Philadelphia. Mr. Daggy is associated with the trading department of the Philadelphia office of H. M. Byllesby and Company.

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J. Lewis Armstrong Co. To Be Formed In Phila.

PHILADELPHIA, PA.—J. Lewis Armstrong, member of the Philadelphia Stock Exchange, and John C. Rowland will form J. Lewis Armstrong & Co. effective August 1st. Both have been partners in E. J. Moore & Co. which is dissolving.

Attractive Situation

Common stock of Federal Water & Gas offers an interesting situation, according to a memorandum issued by Boenning & Co., 1606 Walnut St., Philadelphia, Pa., members of the Philadelphia Stock Exchange. Copies of this memorandum may be had from Boenning & Co. upon request.

NY Bank Stocks Compared

Laird, Bissell & Meeds, 120 Broadway, New York City, members of the New York Stock Exchange, have issued a most interesting quarterly comparative analysis of 17 New York City bank stocks. Copies of this analysis may be had upon request from Laird, Bissell & Meeds.

Howard E. Phillips Cooley Mgr. In N. Y. C.

George R. Cooley & Co., Inc. of Albany, N. Y. announce the appointment of Howard E. Phillips as Resident Manager in their New York office, 25 Broad Street, to develop a program to specialize in corporate issues of New York State.

Mr. Phillips' experience in the investment business covers a period of 25 years. His most recent connection was with Robinson, Miller & Co., Inc., as manager of their trading department.

Holds Subsidy "A Sugar-Coated Pill" Of Dictatorship

L. F. Whittemore Of Boston And Maine Railroad Says Tendency Is For Federal Government To Punish Those Who Are Willing To Risk Their Substance To Give Work

In an address before the Rotary Club, Barre, Vt., on July 12, L. F. Whittemore, Assistant to the President, Boston and Maine Railroad condemned the Government's anti-trust policy and expressed the opinion that reliance on Governmental subsidy by business is like taking a sugar-coated pill of dictatorship "which leads to the loss of individual freedom."

L. F. Whittemore

"When the war emergency is over," Mr. Whittemore remarked, "northern New England is going to have a large volume of workers, skilled in the various metal trades, who can only find employment if someone will put up the money to continue such industries. Those who do put up the money to continue existing industries and to start new ones have to have a great deal of courage. They have also got to have a good deal of help. There has seemed to be a tendency on the part of Government—particularly the Federal Government—to punish those who are willing to risk their substance to give work to other men. From the seat where I sit, it looks as if the Department of Justice in their zeal to enforce the Sherman Anti-Trust Law have gone far beyond the purpose of the law and are trying to discourage ownership in industry as a step toward socialization of our basic economy."

"If we are to have free enterprise, owned and operated by free men and employing free labor," continued Mr. Whittemore, "it is necessary that the individual person or company with money be encouraged to invest it in manufacturing industry. There has been a tendency, which I am sure is not satisfactory to Vermonters, to look to the Government for everything. *Reliance on Governmental subsidy is the sugar-coating which encloses the pill of dictatorship which leads to the loss of individual freedom.* In no dictator-dominated country has labor, organized or unorganized, anywhere near the advantages which it enjoys in a country where men are able to earn their livelihood by working in private enterprise—paid according to their abilities—the chance open to the individual to get ahead if he is willing to accept the responsibility which advancement entails."

Quotas & Voting Power In Monetary Fund

The Quota Committee of Commission I of the International Monetary Conference on July 15 agreed to recommend the following quotas that make up the contributions to the International Monetary Fund.

	—Quotas— In millions of dollars	No. of votes
Australia	200	2,250
Belgium	225	2,500
Bolivia	10	350
Brazil	150	1,750
Canada	300	3,250
Chile	50	750
China	550	5,750
Columbia	50	750
Costa Rica	5	300
Cuba	50	750
Czechoslovakia	125	1,500
Denmark	*	*
Dominican Republic	5	300
Ecuador	5	300
Egypt	45	700
El Salvador	2.5	275
Ethiopia	6	310
France	450	4,750
Greece	40	650
Guatemala	5	300
Haiti	5	300
Honduras	2.5	275
Iceland	1	260
India	400	4,250
Iran	25	500
Iraq	8	330
Liberia	.5	255
Luxembourg	10	350
Mexico	90	1,150
Netherlands	275	3,000
New Zealand	50	750
Nicaragua	2	270
Norway	50	750
Panama	.5	255
Paraguay	2	270
Peru	25	500
Philippine Commonwealth	15	400
Poland	125	1,500
Union of South Africa	100	1,250
Union of Soviet Socialist Republic	1,200	12,250
United Kingdom	1,300	13,500
United States	2,750	27,750
Uruguay	15	400
Venezuela	15	400
Yugoslavia	60	850
Total	$8,800	99,000

*The quota of Denmark shall be determined by the Fund after Denmark accepts membership in the Fund.

The Committee's recommendation was unanimous with the exception of reservations by China, Egypt, the French Delegation, India and New Zealand.

The Mexican Delegation agreed to relinquish $10,000,000 of its quota in favor of $5,000,000 each for Colombia and Chile. The above table includes these readjustments.

The Committee was composed as follows: Belgium, Brazil, Canada, China, Cuba, Czechoslovakia, Egypt, French Delegation, India, Mexico, New Zealand, Norway, United Kingdom, Union of Soviet Socialist Republics, United States, Chairman.

News And Views As Monetary Conference Draws To A Close

BRETTON WOODS, N. H., July 19.—Although no delegation here will refuse to sign the Monetary Fund agreement, there is plenty of private and not-so-private griping about special points. India is unhappy about blocked sterling balances, as are delegates for some other countries, and is also miffed about smallness of its quota, or line of credit, in the fund. Every country but the United States would like larger quotas, thereby enabling acquisition of scarce dollars and other exchange on credit, so to speak. French believe that, because of the deGaulle situation, their country's quota and hence voice on the executive committee should be greater. China complains it was "led to believe" its quota would be larger. As for the British, they wanted the headquarters of the fund to be in London. Russia begrudges the gold portion of her subscription and Mexico complains that in the fund, its voice will be heard merely to state the Mexican position.

Since an International Conference, like a Congress, is a meeting place of clashing interests, where concessions must be granted, these murmurings are but natural.

* * *

Andre Istel, French delegate, stated to me that he "feels that whatever happens the Bretton Woods Conference will have a very useful result by the fact that it has enabled the representatives of 44 countries to exchange views and to understand each other's problems. Both in the Fund's and in the Bank's proposals there are a number of excellent elements which have sometimes been unjustly criticized in several quarters. We have worked so hard in examining the detailed texts that it is difficult at the present juncture to get an over-all picture."

* * *

Latin America's two seats on the Executive Committee are expected to be rotated from time to time.

* * *

In an information gathering someone remarked that Greece has an able representative here, but that Britain controls what the Greek delegation says and does. This elicited from an American in the group the smart (?) remark that the United States, too, has some "Charley McCarthys" in Latin America.

* * *

Few of the foreign countries represented here included members of their parliamentary bodies in their delegations to Bretton Woods. The Peruvians sent two senators and two deputies. Lord Keynes, of course, is a member of the House of Lords. The case of the United States was very special, becuse the Fund and Bank plans cannot go into effect unless this country participates, and that is not possible without the approval of Congress. In appointing four members of the Congress to the American delegation, the Administration hoped to make Congressional acceptance easier to obtain.

It is quite true that the American delegates as such—apart from the technical advisors and Dr. White—are not persons of the same economic and financial background as members of some of the foreign delegations, notably the British. But the presence at Bretton Woods of Senators and Congressmen has not been without benefit to the Conference. Through them the Conference was able to learn some of the things that the American Congress would not accept, and thus to avoid them. Secretary Morgenthau told the press on July 15 that there was no evidence among the members of the Congress here of any party attitude toward the work of the Conference.

* * *

The reticence of the Russians in some matters has occasioned pointed comment. It will be recalled that, at the time the experts' monetary plan was given out by Secretary Morgenthau in Washington in April, the Russians "came in" only

(Continued on page 301)

James A. Hague Now With Adams-Fasnow

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—James A. Hague is now associated with Adams-Fasnow Co., 215 West Seventh St., members of the Los Angeles Stock Exchange. Mr. Hague was formerly partner in James A. Hague & Co., and prior thereto was with Boothe, Gillette & Co.

Public Utility Securities

Utility Bond and Stock Yields

The accompanying table compares yields on long-term government bonds (including taxable bonds in recent years) with average yields on utility bonds and common stocks. In the last two columns are shown the difference between utility bond yields and those of governments, and between the dividend yields on utility stocks and the interest yield on governments. Government bond yields are used as a convenient yardstick for the so-called "absolute" money rate—i.e., the rate investors are willing to accept where a minimum risk of principal is involved. The yardstick is not perfect, but it seems the best obtainable.

Obviously utility bonds have been in steadily increasing favor with investors since 1930, as the spread between utility bonds and Governments has steadily narrowed. Utility bonds used in the index are of AAA caliber. In recent years institutions have been willing to buy utilities at only a moderate yield premium over Governments, because of their confidence in the basic soundness of the industry and their desire to diversify portfolios. Much of this popularity of utility bonds is due, however, to the many safeguards developed in bond indentures, as well as the fact that bond interest coverage is figured both before and after Federal taxes. Since Federal taxes are, in general, based on income remaining after bond interest, the margin of safety is assumed to be reflected in earnings before taxes—though actually Federal taxes probably have a prior legal claim on earnings. It is unlikely that this priority will ever meet any practical test, however, so far as high-grade utility bonds are concerned.

The spread between utility stock yields and Government bond yields illustrates market psychology with respect to utility equities. In 1929-30 buyers were willing to disregard yields—which were below those obtainable on Governments—since they were interested mainly in appreciation possibilities. In 1932, when the present Administration came into office, many investors became alarmed, and the yield spread lengthened to a figure probably somewhat above that of the early 1920's (for which corresponding figures are not available). In 1936-40 yields fluctuated somewhat with the varying views taken of SEC policies of regulating utilities. In 1941-42 investors' fears were sharply increased, both with respect to the SEC and Federal taxes. In 1943-44, however, these fears were somewhat alleviated, although stock yields still appear to be somewhat above normal, as compared with long-term trends. The yields in the stock column are slightly below individual stock yields because of inclusion in the index of several non-dividend paying stocks.

Years—	Yield of Long-Term Gov. Bonds	Utility Bond Yields	Utility Stock Yields	Utility Bond Spread	Utility Stock Spread
1929	3.60%	4.96%	2.41%	1.36	—1.19
1930	3.31	4.83	3.10	1.52	— .21
1931	3.34	4.57	4.69	1.23	1.35
1932	3.70	5.04	6.70	1.34	3.00
1933	3.34	4.69	5.56	1.35	2.22
1934	3.14	4.19	6.09	1.05	2.95
1935	2.74	3.59	5.77	.85	3.03
1936	2.58	3.38	4.12	.80	1.54
1937	2.66	3.22	5.57	.56	2.91
1938	2.44	2.99	6.71	.55	4.27
1939	2.19	2.83	5.53	.64	2.34
1940	2.06	2.75	5.27	.69	3.21
1941	2.07	2.69	8.52	.62	6.45
1942	2.27	2.70	8.60	.43	6.33
1943	2.29	2.64	5.13	.35	2.84
July 5, 1944 (week ended)	2.39	2.62	518	.23	2.79

Bright Possibilities

Giant Portland Cement is a low-priced stock in an industry with a bright future and offers interesting possibilities, according to a circular prepared by Lerner & Co., 10 Post Office Square, Boston, Mass. Copies of this circular may be had from Lerner & Co. upon request and also a circular on Riverside Cement class A which the firm believes is an outstanding cement stock with a dividend arrearage.

Growth Industry

Air transportation is America's fastest growing industry, White & Company, Mississippi Valley Trust Building, St. Louis, Mo., states in a discussion of Mid-Continent Airlines which offers interesting possibilities for appreciation currently and after the war the firm believes. Copies of this study and comparative figures on bank and insurance stocks may be had from White & Company upon request.

Philco Official Sees 40% Gain In Consumers Durable Goods Sales

James H. Carmine, Vice President Of Philco Corporation, Says People Are Not Only Going To Want Every Kind Of Appliance, But Will Be Able To Buy Them—Television Will Be Fastest Growing Of All Post-War Industries

A 40% increase in sales of radios, refrigerators, air conditioners, automobiles, and all other consumers durable goods over the best pre-war year can be expected in the first 12 months of full production after victory, it was predicted by James H. Carmine, Vice-President in charge of merchandising for Philco Corporation, in an address before an appliance industry dinner in the Furniture Club of America at the American Furniture Mart in Chicago on July 14th.

James H. Carmine

"Once the war emergency is over, the fact that there has been no new production of appliances for a long time, is a sure guarantee of a period of extraordinarily good business for everyone connected with consumers durable goods, including dealers, distributors and manufacturers," Mr. Carmine said. "A virtual vacuum of all kinds of electrical appliances has developed, and it will take months to stock distributors and dealers, once production has been resumed, to say nothing of meeting the urgent demands of the public.

"People are not only going to want and need every kind of appliance, but will be able to buy them. It is estimated that by the end of 1944 the accumulated savings in the hands of the public in the form of cash, bank deposits and war bonds, will approximate $100 billion. In addition, installment credit outstanding has been drastically reduced, so that the credit standing of the American people is higher and their borrowing power is far greater than ever before."

In 1941, the last pre-war year, approximately $10,300,000,000 was spent by the American people on consumers durable goods, Mr. Carmine pointed out. In the first year of full production after victory is won, there is every reason to believe that we can look forward to a total national business in these lines of about $14,500,000,000—an increase of 40%.

"In the case of radio, Philco estimates that there will be a pent-up demand for between 20,000,000 and 25,000,000 sets at the end of 1944, as compared with the industry's alltime high production of 13,000,000 units in 1941," Mr. Carmine said. "In refrigeration, it is estimated that the pent-up demand will be upwards of 6,000,000 boxes, as compared with 1941 output of 3,600,000 units. Over and above this, there will be a tremendous demand for frozen food storage chests. Sales of single-room air conditioners should rise 400 to 600% over the pre-war level within a very few years.

"One of the fastest-growing of all post-war industries will be television," Mr. Carmine predicted. "After television standards have been set by the Federal Communications Commission, every major city in the United States will have a television station just as quickly as transmitter deliveries can be made at the end of the war. It may be possible to produce and sell table model television receivers for as little as $125 after the war, and larger 'projection-type' sets may cost up to $400. Television broadcasting facilities today are within reach of approximately 25,000,000 people, provided receivers were available. If as we expect, at least 42 more television stations are added in key cities in the immediate post-war period to the nine now in operation, the coverage would expand to about 70,000,000—or more than half the population of the United States."

Many People Will Wholly Miss This Entire Bull Market In Stocks

We are witnessing a major bull market in common stocks which is being fought all the way by a large percentage of investors, as well as quite a few investment advisers.

They started fighting it back in November, 1942, and have been doing so ever since. The main idea then was (and still is): the market has gone too fast and too far; we'll wait for the reaction. But such reactions as have come have been too mild to satisfy them. And probably if they did get a good reaction, they'd fear it was the beginning of something worse.

So they have missed, and probably will continue to miss, what has thus far been a very good rise—not to mention the income on their money.

Why is this? Is it merely because the public doesn't usually "come in" until the major portion of an advance has occurred? Or is something deeper than that involved this time?

We make no pretense at profundity, but we suspect that something deeper is involved.

Look at brokers' loans; still practically on the bottom. Look at "turnover" of bank deposits; still abnormally low. Look at savings; sensationally high. Look at new equity financing; practically non-existent. Look at the condition of the banks; most liquid in history. Look at corporate reserves; they've been set up for everything under the sun, including "contingencies we can't foresee but which may arise."

What we are getting at is that everybody remembers the bad times in the '30's so vividly, that his first thought is for safety, protection, security, liquidity, conservatism and every other term that means "NO RISK."

Look at the yields on so-called "risk-free" investments; they are the lowest in history.

On top of everything else, the property owner and the stockholder have been in a kind of social and political "dog-house" for so long they have an inferiority complex: they wonder if it is socially desirable to make a profit, and if it's the right thing for a patriotic American to be doing.

It is doubtful if American investors have ever been as conservative as they are today. Many of them are going to fight a rising price level as long as it lasts, because they have learned too well the lesson of 1932. Their minds are tied to that awful year, and to 1938, and they have great difficulty in looking to the future in any other terms.—From "Selections" of July 11 issued by Selected Investments Co., Chicago.

Tomorrow's Markets Walter Whyte Says—

Poor buying now seems to rule market. Selling still good but seems uncertain. Dow 151 looks like tough figure to overcome. Support indicated at 148.

By WALTER WHYTE

Since last week's column was written nothing has happened in the market to make me change my mind that the cream is off the top of the milk. The poor quality of buying for the past two weeks has, if anything, deteriorated to the point that only a technical position holds prices at present levels. I don't mean to belittle the technical position. On the contrary, it is that quality which makes for up and down moves long before the news on which they were presumably based become private property.

* * *

Unfortunately the expression "technical position" has been used so freely that to all intents and purposes it is meaningless today.

* * *

In the final essence a technical position is caused by the quality of participation in the market. When stocks are low and public interest is nil the chances are that this technical position is strong. When stocks are high, or in the midst of an advance, and public interest is at fever pitch, you can assume that nine times out of 10, the technical position is weak. To confuse you still further, weak and strong positions can exist at the same time.

* * *

Take the current market as an example: Here you see a market which has gone up almost without stopping from about 130 to 150. News during the advance was good, but no better than before the advance. In the last two weeks the public has come in. Somebody sold them the stock they were bidding for. Result: the buying was no longer as good as the selling. But while that adds up to a poor technical position there is still another factor to consider. For while the buying is poor and the selling good, the latter is uncertain of its position. A partial answer for this is lack of decision by the good sellers and is attributable in part to the war and its by-products, domestic as well as foreign. Also SEC restrictions prevent longs overreaching themselves. So while the local signs point to a poor technical position, which in turn means a reaction, other signs point to hesitation at worst.

* * *

While on the discussion of technical indications it might be wise to explode some of

(Continued on page 302)

Broker-Dealer Personnel Items

If you contemplate making additions to your personnel please send in particulars to the Editor of The Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Hugh M. Brower** has been added to the staff of **Harris, Upham & Co.**, 135 South La Salle St.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Louis C. Gutru** has rejoined **Merrill Lynch, Pierce, Fenner & Beane**, Board of Trade Building.

(Special to The Financial Chronicle)

CLEVELAND, O. — **William L. Strong**, formerly with J. S. Bache & Co., is now with **Blair Securities Corporation**, Union Commerce Building.

(Special to The Financial Chronicle)

INDIANAPOLIS, IND.—**Ernest N. Gimble** has joined the staff of **Paul H. Davis & Co.**, Merchants Bank Building.

(Special to The Financial Chronicle)

LOS ANGELES, CAL. — **Lloyd R. Arnold, G. M. Douglas**, and **Morris Geggie** have become affiliated with **Bankamerica Company**, 650 South Spring St. Mr. Arnold was previously with Fewell & Co.; Mr. Douglas with Revel Miller & Co., and Mr. Geggie with Nelson Douglass & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CAL.—**Marnee M. Hansell** is with **Butler-Huff & Co. of California**, 210 West Seventh St.

(Special to The Financial Chronicle)

LOS ANGELES, CAL. — **Lawrence E. Erdman** has joined the staff of **E. F. Hutton & Co.**, 623 South Spring St.

(Special to The Financial Chronicle)

LOS ANGELES, CAL.—**Virginia H. Bailey**, formerly with Merrill Lynch, Pierce, Fenner & Beane, has become associated with **O'Melveny, Wagenseller & Durst, Inc.**, 626 South Spring St.

(Special to The Financial Chronicle)

PASADENA, CAL. — **Vernon Charnley, Jr.**, has become affiliated with **Thomas Kemp & Co.**, 210 West Seventh St., Los Angeles, Cal. Mr. Charnley was in the past with Griffith-Wagenseller & Durst.

(Special to The Financial Chronicle)

PORTLAND, ORE.—**Maurice D. Bahnsen** has been added to the staff of **Foster & Marshall**, Porter Building.

(Special to The Financial Chronicle)

ST. PETERSBURG, FLA. — **George E. Sims** is with **Merrill Lynch, Pierce, Fenner & Beane**, Florida National Bank Building.

(Special to The Financial Chronicle)

SAN FRANCISCO, CAL.—**Ellsworth B. Burgi** is connected with **Bankamerica Company**, 300 Montgomery St.

(Special to The Financial Chronicle)

SOUTH BEND, IND.—**Paul B. Beamer** is associated with **Maxson Securities Co., Inc.**, 1408 Marietta St. In the past Mr. Beamer was with Arthur H. Wyatt of Indianapolis.

Wall Street War Bond Syndicate Goes Over Top

In both number of sales and dollar amount the War Bond Syndicate, comprising 467 investment dealers and brokers in the Fifth War Loan Drive, exceeded its quota by 25%, Gail Golliday of the Banking and Investment Division of the War Finance Committee for New York, announced. The final report for the four-week period of the drive which ended July 8, showed sales of war bonds to 49,891 investors for a total of $750,510,263. The goal had been set at 40,000 sales for a total of $600,000,000.

W. Fenton Johnston of Smith, Barney & Co., acting manager of the syndicate, reported to the Banking and Investment Division that 133 syndicate member firms had exceeded their participations in both numbers of subscriptions and dollar volume.

Of these 133 firms, the 20 leaders in number of sales, based on percentage of number allotted, were as follows:

DeCoppet & Doremus; Michel, Whitmer, Watts & Co.; F. S. Moseley & Co.; Wagner, Stott & Co.; Wood, Gundy & Co.; Weingarten & Co.; J. & W. Seligman & Co.; Spencer Trask & Co.; G. A. Saxton & Co.; Garvin Bantel & Co.; L. D. Sherman & Co.; Strauss Bros.; Holsapple & Co.; Kuhn, Loeb & Co.; Bacon, Stevenson & Co.; McLaughlin, Baird & Reuss; Thomson & McKinnon; Arnhold & S. Bleichroder, Inc.; Baker, Weeks & Harden; Friedman & Co.

In dollar volume of sales, the 20 leaders percentagewise were as follows:

Stryker & Brown; R. W. Proctor & Co.; Mercantile-Commerce Bank & Trust Co. of St. Louis; Slaughter, Horne & Co.; Friedman & Co.; H. G. Bruns & Co.; Dominion Securities Corp.; Hettleman & Co.; H. T. Carey, Joost & Patrick; Johnson & Wood; Schroder Rockefeller & Co.; H. L. Allen & Co.; Garvin Bantel & Co.; F. B. Ashplant & Co.; Lasser Brothers; S. B. Blumenthal & Co.; Wainwright, Luce & Willetts; F. S. Moseley & Co.; W. C. Langley & Co.; Wagner, Stott & Co.

At the end of the drive the following members of the syndicate led the field with subscriptions in excess of 1,000:

Kidder, Peabody & Co.; Dominick & Dominick; Harris, Upham & Co.; A. G. Becker & Co.; L. F. Rothschild & Co.; C. J. Devine & Co.; W. C. Langley & Co.; Smith, Barney & Co.; Hemphill, Noyes & Co.; J. S. Bache & Co.; The First Boston Corp.

Public National Attractive

Stock of the Public National Bank and Trust Company of New York offers interesting possibilities for investment, according to a memorandum issued by C. E Unterberg & Company, 61 Broadway, New York City. Copies of this memorandum outlining the situation may be had upon request from C. E. Unterberg & Co.

Railroad Securities

The reorganization railroad bond market has been distinctly spotty in recent weeks, characterized by periodic, but short lived, speculative bulges in individual groups of issues on specific reorganization developments. The St. Pauls and the Rock Islands each had its turn in conjunction with District Court hearings on their plans. Missouri Pacifics have had flurries from time to time on rumors that the Interstate Commerce Commission was going to come out with a plan in the near future. In none of these instances has the strength or speculative interest been sustained for any considerable period.

The most recent flurry has been in the Frisco bonds, and at the time of this writing this flurry is apparently going to follow the pattern set by the other roads. The occasion for the revival of speculative interest in Frisco liens was the filing, on July 13, of the long-awaited plan of reorganization by the ICC. Mere filing of the plan, however, does not give any promise of early consummation of reorganization. The Commission itself must now hold hearings on the plan before it can even be submitted to the Federal District Court. Even with the general accord there is among bondholders on the allocation of securities the mere mechanical details of reorganization under Section 77 are such that the most optimistic place the date of possible consummation some time in 1946.

Under certain conditions delays in reorganization prove most profitable to security holders. There are district advantages inherent in keeping the old debt and charges for tax purposes as long as possible. Thus during periods of high earnings cash accumulates rapidly. Distribution of such cash, either as interest on the old bonds or in part settlement of the claims, naturally enhances the status of the bonds. However, a delay during a period of low earnings is of questionable value, particularly if the delay means the possibility that the new securities may not be delivered until after the war boom is over. It is this factor that has induced a cautious attitude among speculators, now that the war has been progressing so favorably on virtually all fronts.

The terms of the plan just released by the ICC caused no surprise. Treatment of the various liens is that proposed in the compromise reached among the major creditor groups many months ago. Treatment of the major speculative bonds of the Frisco is proposed as follows:

	1st 4s	Income 4½s	5% Preferred Shares	Common Shares	Cash
Prior Ln. 4s	$219	$171	3.22	6.67	$15.36
Prior Ln. 5s	233	182	3.53	7.10	25.39
Consol. 4½s	221	158	1.74	3.48	21.05

At the time of this writing the 4s are selling at 45, the 5s at 48 and the 4½s at 37. Allowing for an arbitrage spread of 25%, which is the minimum that would be expected with the date of possible consummation so distant, this would indicate prospective values of the securities to be received of 56¼, 60 and 46¼, respectively.

One may take any specific bond to see how this calculation would work out. Taking the old prior lien 4s, they are to receive $234.36 in cash and new 1st mortgage bonds which may be evaluated at par. Therefore, the junior securities to be received must have a theoretical prospective value of $328.14 to justify current prices for the old bonds. The new income bonds might be evaluated at 65, or $111.15 for the amount allocated to the old prior lien 4s, which would leave $217 to represent the value of the new equities. This would work out to prices of 40 and 12⅜, respectively, for the new preferred and common stocks. Considering the time element, these appear as too liberal evaluations of the new securities. On the basis of their reorganization treatment, then, the bonds cannot be regarded as offering any particularly attractive potentialities at this time.

The one aspect that may lend some measure of speculative appeal to the bonds at this time is the possibility of additional substantial cash payments in the interim to consummation of the plan. In this respect the plan is very well drawn, leaving the door wide open for distribution of cash, when and if available, at the discretion of the court. Speculators would do well to keep a sharp eye on the company's cash position.

J. Robert Lindsay & Co. To Admit Mason L. Carroll

GREENVILLE, S. C.—Mason L Carroll will be admitted to partnership in J. Robert Lindsay & Co., Franklin National Life Building, members of the New York Stock Exchange, as of August 1st. Mr. Carroll will make his headquarters at the firms Shelby, N. C. office, Webb Building.

Thomas Hutchinson With Merrill Lynch, Pierce Co.

SAN DIEGO, CALIF.—Thomas A. Hutchinson has joined the staff of Merrill Lynch, Pierce, Fenner & Beane, San Diego Trust & Savings Building. Mr. Hutchinson in the past conducted his own investment business in San Diego and was with the First National Trust and Savings Bank of San Diego.

Attractive Situations

Ward & Co., 120 Broadway, New York City, have prepared circulars on several situations which currently offer attractive possibilities, the firm believes. Copies of these circulars, on the following issues, may be had from Ward & Co. upon request.

Du Mont Laboratories "A"; Merchants Distilling; Crowell-Collier Publishing; P. R. Mallory; General Instrument; Long Bell Lumber Co.; Great American Industries; Mid-Continent Airlines; Massachusetts Power & Light $2 preferred; Majestic Radio; Magnavox Corp.; Electrolux; Purolator; Brockway Motors; Mohawk Rubber, Moxie, Scovill Mfg., and American Export Airlines.

Sinclair In War And Peace

Sinclair Oil Corp. has prepared an attractive 40-page illustrated booklet entitled "Sinclair in War and in Peace." This describes Sinclair's facilities in the fields of production, refining, transportation and distribution, and tells about new equipment built for the refining of 100-octane gasoline and synthetic rubber components. Copies of this interesting booklet may be had upon request. Write to Sinclair Oil Corp., Dept. D, 630 Fifth Ave., New York 20, N. Y.

Attractive Situations

Laclede-Christy Clay Products Co. common, which is listed on the St. Louis Stock Exchange, offers an interesting situation, according to a memorandum issued by Herzog & Co., 170 Broadway, New York City. Copies of this memorandum and also circular on Bartgis Bros. and Federal Screw Works may be obtained from Herzog & Co. upon request.

Real Estate Securities

By JOHN WEST

What About Hotel Bonds Post-War?

There has been quite a lot of conjecture as to whether or not the conclusion of the war will adversely affect hotel bonds.

One theory advanced is that hotels in New York City have seen their peak earnings because rentals cannot be raised on account of OPA regulations and that operating costs have been mounting.

Another theory is that New York City will have a boom post-war instead of a depression. The theory is advanced on the basis that New York City's greatness at present and post-war will not depend upon continued operation of a few large plants, but rather upon a vast number of small manufacturing units that will lend themselves to quick conversion to civilian production.

Current high earnings of hotels are due in a larger measure to high occupancy rather than increase in rates. Will this occupancy continue after the war? Pro-arguments include the following:

Removal of restriction of travel is expected to flood New York, the wonder city, with visitors.

Resumption of consumer goods manufacture is expected to bring thousands of buyers into New York to replenish the stocks of out-of-town stores.

Return of the armed forces is expected to increase the demand for living quarters. Many soldiers' wives now living with their mothers will want to establish their own living quarters with their husbands. A furnished apartment in a hotel will solve the necessity of an immediate outlay for furniture and besides, there are very few regular apartments of small size obtainable.

One of the leading Statistical Services has recently advised the consideration of liquidating hotel bonds. The advice to liquidate hotel bonds was based on the fact that prices of some of these securities were three or more times the pre-war level and the fact that the rise was influenced by the improved earnings occasioned by the war.

The writer sharply disagrees with the theory that because a security has had a large price-appreciation that necessarily means that high yields should be sacrificed and the security be sold. He agrees that the rise in prices were *partly* influenced by improved earnings, but is also of the opinion that the better prices were also occasioned by the realization that the security behind the bonds was worth more than the market price of the bonds.

As an example, 870—7th Avenue general mortgage bonds (Park Central Hotel) have risen 38½ points since Pearl Harbor—from a price of 24½ in November 1942 to 63 at the present time. Well, let us look into this current price of 63. In the first place, it is anticipated that a payment of 3 points will be made on August 1st to clean up all accumulated interest. This will reduce the cost of the bonds to 60% and will open the way for future sinking fund operations of the bond issue. Bonds pay 4½% fixed interest, so that at a price of 60 a yield of 7½% is obtainable. As to whether the 4½% interest can be maintained after the war, the earning experience on the bonds before depreciation, during the past eight years, is interesting, viz:

1943	12.67%	1939	4.20%
1942	5.65%	1938	3.88%
1941	4.40%	1937	5.66%
1940	4.93%	1936	6.71%

You will note that in three of the eight years, the interest requirements were not met. We believe this will now be corrected by lower real estate taxes, resulting from reduction in assessment. For instance, in 1941 when interest was not quite earned, the property was assessed at $6,750,000. In 1942 the assessment was reduced to $5,700,000—a savings in taxes of about $30,000 a year or about ¾ of 1% on the bond issue.

Now as to the value of the property securing the bond issue:

Present funded debt consists of a $1,161,786 institutional first mortgage and the subject $4,055,200 bond issue, a total funded debt of $5,216,986, but the bond issue is now selling at a 40% discount bringing it down to $2,433,120. This puts a market value on the funded debt of only $3,594,906. Let us compare this figure with some other facts to see whether these bonds are over-priced. In the first place, it is a very small part of the original funded debt, which was as follows: first mortgage $8,500,000; second mortgage, $2,000,000; notes, $378,103—a total of $10,878,103. Secondly, it is less than the assessed value of the property, which as stated before is $5,700,000. Thirdly, its comparison to annual gross income is interesting. During the past eight years the lowest gross income was in 1938—$2,080,245; the highest in 1943—$3,259,916.

Added to all these facts is the advantage of the bonds carrying stock representing a share in the ownership of the property.

The writer, after studying all these facts, concludes that the bonds of this 1,600 room hotel do not appear over-priced and that the high yield afforded warrants the retention of these bonds.

We would recommend a complete study of the value behind your hotel bonds before letting the fear of peace-time influence your selling this type of security.

Rail Situation of Interest

Grand River Valley Railroad first 4s of 1959 offer interesting possibilities according to a circular being distributed by Adams & Peck, 63 Wall Street, New York City. Copies of this circular may be had from the firm upon request.

Interesting Situation

H. R. Baker & Co., Russ Bldg., San Francisco, Calif., have available an interesting report on Rohr Aircraft. Copies of this report may be had from the firm upon request.

Says Monetary Conference Swayed By Managed Paper Currency Policy

Robert S. Palmer, Managing Director, Colorado State Mineral Resources Board, Claims That "A Few Ambitious Treasury Experts" Seek End Of Monetary Use Of Silver, and Plan Steps "Towards Demobilizing Gold"

Expressing concern that the American delegation at the Bretton Woods Monetary Conference is moving away from the traditional hard money policy, based on gold and silver, and toward a world-wide system of managed paper currencies, Robert S. Palmer, Managing Director, State Mineral Resources Board of Colorado, declared last Friday that it is not too late to halt new experiments with untried monetary devices.

Mr. Palmer, who was at the International Monetary Conference as an observer, on July 14 issued the following statement:

The American people, traditionally devoted as they are to a sound monetary system based upon the firm twin foundations of gold and silver, have good cause for alarm over the trend of the discussions at the International Monetary and Financial Conference at Bretton Woods, N. H.

After attending the Conference for several days, I feel that I can summarize its attitude towards gold and silver, as indicated by a number of delegates to whom I have spoken, as follows:

1. Gold is to be retained in a nominal role, rather than as a true monetary standard. The International Monetary Fund will hold some gold, and it will exchange foreign exchange for gold for member countries for the time being. But the traditional gold standard, under which the monetary system of a nation is tied to a gold reserve, would in effect be abolished, and at a later date gold may be completely demonetized because it is only a "relic of barbarism."

2. Silver is to be ignored completely, as if it plays no monetary role whatever. Whenever a proposal is advanced to recognize that silver does have an important monetary part to fill in the modern world, and could be of infinitely greater usefulness after the war by the adoption of international bimetallism through the International Monetary Fund, the American delegation meets it with cynical snickers. Laughter is to take the place of logical argument when the monetary role of silver is brought up, the higher strategists of the American delegation have decreed.

When the war is over a large part of the world will be in the throes of a runaway paper money inflation. The large majority of the people of this country believe in gold and silver, and not in managed paper currencies. There is every reason to believe that the peoples of other countries will feel the same way, even more strongly because they will be suffering the aftermath of severe paper money inflation in so many cases.

The Conference now meeting at Bretton Woods has a great opportunity to do good or evil. The choice is up to the delegates, and the governments which they represent.

The Conference can set up an International Fund which will peg the prices of gold and silver in each country, and then assist individual nations whose international payments are temporarily unbalanced to maintain the gold and silver parities of their currencies. That is the kind of plan the people of the United States, and our Congress, would accept, in my opinion.

Or the Conference might embark the world upon the seas of managed currency experimentation, with or without the cloak of a nominal gold standard to conceal what is really being done. Unfortunately, the Conference is moving rapidly in this dangerous direction today. Cut off from contact with the people, at a remote mountain resort, the American delegation has been taken in hand by the Treasury "experts" who drafted the original monetary stabilization plan and is being shepherded along the managed currency path. The delegation was handpicked to begin with to leave out any advocate of silver and international bimetallism. Foreign delegations, filled as many of them are with advocates of sound money, know that they are so dependent upon American military or economic aid today that they dare not oppose our Government with a firm stand on any point, regardless of their real beliefs.

The American people should recognize this comedy for what it is. A few ambitious Treasury "experts," doubtless convinced in good faith of the worth of managed currency, would end the monetary use of silver and take a long step towards demonetizing gold as well. Only the rejection of this plan by Congress, backed by an outraged public opinion, can prevent the adoption of another dangerous monetary experiment on a world-wide basis. A rejection of the plan now being drafted will be necessary to pave the way for a return by mankind to currencies soundly based upon gold and silver.

July 14, 1944.

SEC Rules On Open Contracts In Finnish Securities

Following the announcement on June 30 by the New York Stock Exchange and the New York Curb Exchange of their suspensions of trading in Finnish securities, the SEC made public the text of a letter which was sent to the two exchanges and to the National Association of Securities Dealers, Inc., in identical form, requesting that all brokers and dealers refrain from effecting any transactions in such securities, whether by way of closing and consummating open contracts or otherwise, without first obtaining Commission approval. The text of the letter follows:

"The New York Stock and the New York Curb Exchanges have suspended trading in Finnish securities.

"We have been advised that there may be open contracts in some of these securities which require the effecting of a purchase or sale to close and consummate. It may be that some of your members hold such open contracts and wish to effect offsetting purchases or sales of these securities. The Commission requests that its approval be obtained before any such transactions are effected in them. The Commission further requests that all brokers and dealers refrain from making any other transactions in these securities without prior Commission approval.

"Will you, therefore, kindly advise your members, who may wish to make offsetting purchases or sales of these securities, to inform the Commission of all the relevant circumstances relating to their positions and open contracts before closing them by a purchase or a sale. Your cooperation will be appreciated.

Very truly yours,

James A. Treanor, Jr.,
Director."

The Real Issues At Bretton Woods

(Continued from page 283)

An understanding of the problems under discussion at Bretton Woods is the more essential, as their solution will necessarily imply short-term sacrifices on the part of the American people in order to achieve long-term results. Maybe what follows will cast some light on this subject and help people to realize what it is all about.

The Two Protagonists

The two protagonists of the conference at Bretton Woods are the United States and England. Both are interested in the success of the current negotiations, if for different reasons peculiar to each of them. To the assertion of American bankers that "Financial Problem No. 1 is the pound sterling," the English bankers rejoin: "Financial Problem No. 1 is the dollar" (read: the world lacks dollars). The truth is, there are two problems: the pound sterling and the dollar. **And as if these questions were not sufficiently complicated in themselves, the solution to one of them does not necessarily constitute a satisfactory answer to the other.**

The United States have the preoccupations of a wealthy people; England, the worries of an impoverished one. The United States are thinking mostly of their social equilibrium and of world peace; England is fighting to ensure to her people the means of existence: *primum vivere*. The social equilibrium of the United States is best assured when agricultural prices are high; the economic and financial equilibrium of Great Britain rests on her ability to obtain abroad agricultural products at low cost. The United States are happy when booming, sweeping along in their prosperity those countries supplying raw materials; England breathes and lives more easily when she can buy her raw materials cheaply. The United States are still strongly individualistic and convinced that free enterprise is the necessary condition of all liberty; England, not exactly by preference, is resigned to accepting collectivist formulas for her economic and social organization. The United States have become conservative; England does not fear adventure.

To better follow the debates at Bretton Woods, one must keep in mind the two following situations of recent origin, with which the world is now confronted:

(1) It is the first time that a big country—the United States—whose economic weight is considerable, is at the same time a creditor nation in its international accounts and an exporter of both industrial and agricultural products.

(2) Due to the war, England has been forced to liquidate a large part of her investments abroad, and her invisible income will also be reduced. If she wishes to maintain her imports at the prewar level, she will have a find new export openings for an additional amount of 300,000,000 to 400,000,000 pounds sterling. As a matter of fact, the war has merely precipitated the British crisis, the symptoms of which already had been apparent for some time. The premises and foundations upon which the economic equilibrium of England had been established in the XIXth century, have greatly changed. The attendant increase in her population to its present figure of 45,000,000 has created a serious problem of subsistence under circumstances now existing. (England imports 3/5 of the agricultural products she requires.) For England—and not for Germany, who spreads the slogan mainly for her military and political ends—the alternative "export or die" is true to the letter. The fears expressed by Malthus might end by finding their justification in his native land, as was the case for Ireland in the XIXth century. Many Englishmen, fearing they might not be able to expand British exports sufficiently to pay for their imports, recommend the organization of a "sterling area" which would include Great Britain, the British Dominions (except Canada) and the British colonies, as well as a few countries of western Europe who might find it to their interest to join, and Argentina. This solution of the British problem—if indeed it is a solution, which we doubt — would hardly suit either American economic-social interests, or the aims of American policy. It is, moreover, objectionable in that it would foster economic nationalism and would be contrary to present political ideals.

The Four Major Objectives

Four main considerations or objectives have dominated the general structure of the plan which is serving as a basis for discussion at the international conference at Bretton Woods:

(1) Owing to the tremendous sacrifices imposed upon her by the war, England, a creditor nation, has become a debtor nation. Not only has she liquidated a part of her long-term assets, but she has also incurred a short-term indebtedness, already amounting to more than $8,000,000,000. Moreover, to pay for her imports, at the 1937-to-1939 level, England will have to nearly double her pre-war exports.

(2) The plan accepts the principle of responsibility of the countries whose balance of international accounts is chronically creditor. The means for remedying such a state of affairs, admittedly detrimental to international equilibrium and trade, is not defined. The plan merely states that in such circumstances the Stabilization Fund will have the task of making its recommendations with a view to ending it.

(3) Unemployment is not to be tolerated. "Full employment" has become a sort of categorical imperative. All the other desiderata—such as stable currency, balanced budget, and even social progress—must give away to this objective.

(4) As a corollary to Point (3) above, Lord Keynes announces the triumph of his dictum, "Gold is a barbarous relic," and he stated in a recent speech before the House of Lords that the plan under discussion was exactly the opposite of a monetary plan based on the gold standard. It explicitly provides that the external value of a national currency should be altered if necessary so as to conform to whatever de facto internal value results from domestic policies, which themselves shall be immune from criticism by the Fund. Relieved of the monetary experts' jargon, all this simply means the adoption of "elastic" currencies. One hardly needs to be unduly discerning to foresee that this elasticity will serve only to devaluate currencies and never to revaluate them with respect to gold.

American Objections

What are the objections of American bankers and the American press to the plan which is being used as a basis for discussion at the conference? They may be summed up and formulated as follows:

(1) The first and the most important objection is that the Stabilization Fund will foster rather than discourage monetary instability. If each country is free to devaluate its currency, after a short notice to the Stabilization Fund, in order to help its internal economy (and without the Fund's having the right to criticize the internal policy), what kind of monetary stability may we expect from this plan?

(2) What is most important for monetary stability is that all countries have sound domestic policies from an economic, budgetary and credit standpoint. The Stabiliaztion Fund is incapable of remedying evils due to poor domestic policy. And if the principles at the root of the countries' domestic policies are sound, a large monetary fund is useless. The greatest contribution the United States can make after the war to currency stability will be to stabilize their own currency by balancing their budget. Other nations might do well also to give up inflation as a remedy to their internal disequilibrium. A nation cannot have both stable currency and inflation at the same time.

(3) The only effect of the plan will be to make the sound currencies support the weak currencies, and to allow the continuance of unsound domestic policies until the credit to which the countries are entitled in the Stabilization Fund has been exhausted. Furthermore, the borrowers will control the lenders' policy.

Conclusions

However valid may be the objections expressed by the American bankers and press, we reproach them for completely ignoring the problems facing England, the dollar problem, and that of "full employment"—this latter actually accepted by almost all peoples and their governments, as a categorical imperative. All thoughtful people are in favor of currency stability. But this monetary stability, however desirable it may be, is not in itself an end, but a means to one or several objectives. These objectives are today more than well-known. They can neither be eluded nor passed over in silence. What positive measures of international cooperation are proposed to replace the rejected plan? The business of a world as unbalanced as will be the post-war world will hardly take care of itself.

Positive and constructive answers must be given to the following questions, among others, lest the world drift into chaos, anarchy, or totalitarianism:

(1) It is a stubborn fact that the peoples and their governments have accepted the doctrine of full employment as imperative. How are we to reconcile this imperativeness with the individualistic free enterprise system and with free international multi-lateral trade?

(2) What are the answers to the English problem and that correlated to it, namely, the dollar problem?

If we do not contrive to reintegrate the British Commonwealth into a world economic multi-lateral system, the alternatives for Great Britain are either to decline and become a second-rate country and power, or else, in self-defense, to choose economic autarchy as the only way out of her predicament and the problem of providing the means of subsistence to the British people. **Neither one nor the other alternative is, we submit, to the interest of the United States.**

What is the answer to the British problem? We do not profess to have the right, or the only, answer, but we suggest that one of them might be sought in the following ideas: The United States should undertake to negotiate the conditions under which they would assume the responsibility for a large part of the foreign deposits in English banks. Furthermore, the United States should grant England a big loan on a long-term basis and at a nominal rate of interest. It will also be necessary to reserve, for a period of time, certain markets, preferably within the British Empire, to British goods.

For the moment we have but one deep and firm conviction: none of the great problems facing the world after a victorious peace can be solved without intimate, loyal and intelligent collaboration between the United States and England. If these two countries cooperate with one determined will, all our hopes of a better world are permissible. If, by ill fortune, demagogy, prejudice, ill-advised egoism, or just plain stupidity, should prevail, we strongly fear that mankind will not escape the doom prophesied by the cassandras. The English writer, Norman Angell, whose intelligence is so evident, has published in "The Saturday Evening Post" of May 23 an important article entitled suggestively: "What the British Empire Means to America." In this article British pride gives way to intelligence and political wisdom, and the author does not hesitate to write of England, "that American base and bridgehead known as Britain." This frankness will be useful in helping Americans understand the real issue involved and their true interests, and will serve the English cause better than many subtleties. In the democracies especially, evasion and demagogy must be done away with, for nothing can be built without the support of enlightened public opinion.

Peter P. McDermott To Admit

Peter J. McDermott will become a partner in Peter P. McDermott & Co., 65 Broadway, New York City, members of the New York Stock Exchange, as of August 1st. In the past Mr. McDermott was a partner in the firm.

The Business Man's Bookshelf

Investment Companies and Their Securities—Fourth Annual Edition—Arthur Wiesenberger & Co., 61 Broadway, New York City—$10.00.

Scientific Developments From The Investor's Viewpoint—Leslie Havergal Bradshaw—National Securities & Research Corp., 120 Broadway, New York City—paper—$1.00.

Eighty-Sixth Annual Report of The Trade and Commerce of Chicago For The Year Ended Dec. 31, 1943—Chicago Board of Trade, 141 West Jackson Boulevard, Chicago 4, Ill.—cloth.

Source List of Selected Labor Statistics, A.—Special Libraries Association, 31 East 10th St., New York 3, N. Y.—paper—$1.50.

What Is The Truth About The Cotton Textile Situation? — The Cotton-Textile Institute, Inc., 320 Broadway, New York City—paper.

Rothschild & Co. To Admit

CHICAGO, ILL.—Rothschild & Co., 135 South La Salle Street, members of the New York and Chicago Stock Exchanges, will admit Gertrude R. Karger to partnership in the firm on August 1.

Connecticut Brevities

Three of Hartford's four leading banks showed a decided improvement in earnings in the first six months of this year over the results for the corresponding period of 1943. Following is a tabulation of indicated earnings per share (not taking into consideration charge-offs for banking premises):

Six Months Ended June 30—	1944	1943
First National Bank	$4.12	$6.10
Hartford-Connecticut Trust Co.	3.36	1.98
Hartford National Bank & Trust	1.10	.68
Phoenix State Bank	14.57	8.80

During this period, charge-offs were as follows: **First National Bank,** $50,000 or $4.35 a share compared with $3.48 a year ago; and **Hartford National Bank & Trust,** $75,000, or 19c a share against 12c the first half of 1943. No deductions were made by **Hartford-Connecticut Trust Company or Phoenix State Bank.**

* * *

As of June 30, 1944 the First National Bank of Hartford had approximately two-thirds of its total resources invested in United States Treasury obligations and other securities. United States Government securities alone represented one-third of the total assets. Cash and due from banks, together with total investments account for more than 94% of all assets.

* * *

A comparison of the balance sheets of the **Hartford-Connecticut Trust Company** for the six months ended June 30, 1944 with that for the year ended Dec. 31, 1943 shows a decline in total deposits of $6,102,442 or slightly in excess of 6%. United States Government securities advanced to $40,378,191 which represents 39% of the total assets. Book value increased from $47.50 per share to $49.36.

* * *

For the same period, **Phoenix State Bank & Trust Company** likewise showed a decline in deposits amounting to $2,416,405, or roughly 3%. Commitments in United States Government obligations now total $55,515,403 which is approximately 63% of the bank's total resources. Book value of $272.37 per share showed an increase of $9.57.

* * *

The Hartford National Bank & Trust Company as of June 30, 1944 had total assets of $212,915,118—an increase of $16,945,366 since Dec. 31, 1943. Cash and due from banks and United States Government securities totalling $188,879,347, comprised 88% of the total assets. Book value per share as of June 30 was $22.62.

* * *

Connecticut may well be proud of the record of achievement of the United Aircraft Corporation. It is particularly interesting to note that in terms of total horsepower in all planes produced in the United States in 1943, Pratt & Whitney engines accounted for 51%. The Division in East Hartford surpassed any one of its licensees in horsepower production.

* * *

As of July 1, the Scovill Manufacturing Company of Waterbury called for Sinking Fund operations $988,000 of their 3¼% debentures due July 1, 1950. The redemption of these bonds leaves outstanding $4,512,000 of the original $10,000,000 issue.

* * *

While approximately 90% of the present business of **Landers, Frary & Clark of New Britain** is represented by either direct or indirect war contracts, the company is giving considerable thought to research developments for the post-war period. Already plans are under way to reconvert the plant for peacetime production. When normal operations are resumed, it is expected that considerably wider use will be made of stainless steel than in the past. This item will be utilized in the manufacture of their pressure cooker.

In accordance with new regulations established by WPB's special program, Landers expects to manufacture electric irons at its Verplex plant in Essex, Connecticut.

* * *

Fifty of Connecticut's most widely known companies paid out dividends totalling $18,557,081 during the first half of this year. This represents a curtailment in payments of approximately $1,000,000—disbursements for the first six months of 1943 having been $19,626,037.

The major portion of this decline was due to reductions in the industrial group. **Colt's** failure to pay any dividend, plus the omission of an extra by New Britain Machine Company, and the reduction in payments made by North & Judd and Peck, Stow & Wilcox, accounted for the principal decrease.

In the utility field, **Connecticut Power** was the only company to cut dividends.

No change was made in the rates in the bank and insurance groups.

OUR REPORTER'S REPORT

The total of prospective new issues in sight, between now and the close of the year, has been swelled substantially by reports that the Great Northern Railway Co. is again actively considering a vast refinancing program.

At any rate there is reason to believe that investment banking interests are expecting the road to be in the market since it is learned that two large groups are being organized to bid competitively for the new securities.

This operation, which has been in the wind before but delayed for several reasons, most important perhaps to await the ruling of the Interstate Commerce Commission on the matter of competitive bidding, is expected to run around $100,000,000.

Although nothing official has yet been indicated as to the probable setup of the new financing reports have it that it will be done partly through the medium of serial bank loans and the balance in the form of term bonds of mixed maturities.

The road has total funded debt of $290,873,909 on the basis of the latest available balance sheet, with two issues, the series G and series H 4s, both convertible, and outstanding in the combined amount of $58,247,000, scheduled to mature in July, 1946.

Portfolio Man's Headache

Plans of Bethlehem Steel Corp., looking toward retirement of some $60,000,000 of outstanding bonds, fall into the category of events which pose serious problems for the managers of institutional investment portfolios.

Of course they have a ready "out" these days, that is a shift of the resulting cash into government securities. But the aim of institutional investors continues as it has in the past, that of seeking a degree of diversification in holdings.

Bethlehem is consummating details now looking toward the sale of $70,000,000 of new notes, through bankers direct to institutional investors. Should current holders secure the bulk of the new issue, which of course is likely, their problem would be solved.

Investors Are Around

Pressure of funds seeking investment has not lost any of its force, judging by the popularity of preferred stock issues. Yesterday's offering of 50,000 shares of 5% cumulative preferred stock of the Marathon Corp., successor to Marathon Paper Mills, encountered good response. This company has plans also for issue of $5,000,000 debentures in the near future.

On Tuesday a group of bankers negotiated the sale in a secondary operation of a block of 25,000 shares of the cumulative 4½% preferred stock of the Sunray Oil Corp., within a short interval.

Today brings on the market another preferred stock offering involving 36,218 shares of series A 4% cumulative preferred stock of Johnson & Johnson, also by way of a secondary. And reports indicated a ready reception for this issue.

Two Utility Preferreds

Northern Indiana Public Service Co., which last week rejected a single bid made by a New York banking group looking toward replacement of its outstanding 7, 6 and 5½% preferred stocks, is reported now to be negotiating with a group of Chicago bankers to undertake the business on a revised basis.

New York bankers had **sought the business on a plan which called for the retirement of the outstanding stocks through an exchange for new 5% shares.**

At the same time, New York bankers were reported forming groups to compete for an issue of $18,000,000 of new preferred stock of the New York Power & Light Co. which would provide the bulk of funds needed to retire outstanding 7 and 6% preferreds.

Michigan Brevities

In a stirring talk Walter S. McLucas, Chairman of the Banking Division of the War Finance Committee and Chairman of the National Bank of Detroit gave out the final figures which revealed the splendid job the local unit had done in the Fifth War Loan drive.

"The State quota for corporations, unions, estates, etc., was $250,000,000," he said. "This was far surpassed and the final figure showed $370,183,231 worth sold.

"The State quota for individuals—other than E bonds—was $107,000,000 and although only $99,517,775 worth were sold, this particular group on Wayne County topped its individual quota of $53,661,000 by 25% and sold $67,627,000 worth."

Mr. McLucas added that Wayne County's corporate quota was also far surpassed. W. S. Gilbreath, Ernest C. Harris and John W. Watling were State Vice Chairmen; E. K. Hoover, State Director. Heading the Wayne County division were: McPherson Browning, Chairman; Fred A. Bargman, Harry W. Karr and Alvin McAuley, Jr.

Stockholders of the Detroit and Cleveland Navigation Co. received notice of a special meeting to be held at the Company's offices on July 31, at 10:30 a.m. At the meeting directors will be elected.

In the management's solicitation for proxies it was stated that President James T. McMillan's entire 1943 remuneration, including director's fees, totaled $20,160 only $14.15 above the 1942 figures. Total paid to all officers and directors aggregated only $43,326.

H. Russell Hastings of Detroit has been named on the National Securities Traders Association Committee. Ivor Bryn was promoted to Vice President in charge of manufacturing of the McLouth Steel Corporation. Joseph M. Dodge, President of the Detroit Bank and also head of the Michigan Bankers Association has been named to the ABA's Post-war Small Business Committee. Al Wallace, prominent Detroit financier, is credited with being the man who brought Ward Canaday of Willys and Charles Sorensen together.

Shortly after public announcement that a merger of the International Detrola Corporation and the Universal Cooler Company was contemplated, officials of both companies said that plans had been called off. No reason was given.

The Detroit Stock Exchange announced the following proposed transfers of memberships:

From the Detroit Stock Exchange—To Edward T. Bennett, Jr., Melvin G. Kingstrom, Earle W. Parcells and Robert Reed Stoetzer.

Election to membership and registration on the Detroit Stock Exchange of John M. Williams was also announced and notice of partnership of Bollinger, Harris & Company listed.

Thomas Paddock With Merrill Lynch Firm

DETROIT, MICH.—Merrill Lynch, Pierce, Fenner & Beane, Buhl Building, have announced that Thomas F. Paddock has become associated with them. Mr. Paddock has been in the investment business for twenty years. He was President of the Bond Club of Detroit in 1938-39.

Custom Duties Temporarily Suspended For Metropolitan France

(By cable from Algeria, delayed)

Urgent need for imported merchandise and determination to hold down living costs has brought about temporary suspension of custom duties and fiscal taxes on imports to metropolitan France. The Provisional Government of the French Republic in Algiers has made adequate provision within the present ordinance for reestablishment of duty for certain groups of products or for modification of rates upon recommendation of the Ministry of Supply and Production.

G. N. Miles A Partner

PEORIA, ILL.—George N. Miles is now a partner of Herbert B. White, Commercial Merchants Bank Building. Mr. Miles has been associated with Mr. White in his investment business for the last ten years.

W. A. McDonnell, Little Rock, Joins Mercantile-Commerce, St. Louis

W. L. Hemingway, president of the Mercantile-Commerce Bank and Trust Company of St. Louis, has announced the election of William A. McDonnell as vice president. Mr. McDonnell will take up his new duties on Aug. 15, and will have supervision of the following divisions of the bank: General Operations, Banks and Bankers, and Savings. He comes to the St. Louis institution from the Commercial National Bank of Little Rock, Arkansas, where he has been executive Vice-President since 1933.

Wm. A. McDonnell

Mr. McDonnell graduated from Vanderbilt University, where he was awarded the Founders Medal in the School of Law. He served overseas as a capitain in the Field Artillery during the last war, and on his return entered the practice of law in Little Rock. In 1927 he became Vice-President of Federal Bank & Trust Co., Little Rock, the following year joining the Bankers Trust Co. in the same capacity, and in 1933 he became Executive Vice-President of the Commercial National Bank. He is a director of the Little Rock branch of the Federal Reserve Bank of St. Louis.

Long active in civic and financial affairs, he has served as President of the Little Rock Chamber of Commerce; Chairman of the Arkansas Victory Fund Committee; director of the Arkansas Economic Council, and in other important posts. He has been President of the Arkansas Bankers Association and of the Little Rock Clearing House. He is Chairman of the Bank Management Commission of the American Bankers Association. He is an Executive Councilman of the ABA from Arkansas, and was Chairman of the Resolutions Committee, 1943 ABA convention.

Democratic Convention Opens At Chicago

President Roosevelt Advises Chairman He Would Vote For Renomination Of Wallace, But Says "Convention Must Do Deciding"

With the bringing under way of the Democratic National Convention in Chicago yesterday (July 19) major interest centered in the choice of Vice President, as well as in the platform to be adopted. President Roosevelt had previously (July 11) indicated that if the convention should "nominate me for the Presidency, I shall accept. If the people elect me I will serve."

This statement of the President was contained in a letter to Robert E. Hannegan, Chairman of the Democratic National Committee, and was referred to in our issue of July 13, page 201.

At that time it was noted in our item of a week ago, the President gave no inkling as to whether he expected that Vice President Henry A. Wallace would be renominated with him. The President delayed until July 17 making known his attitude on the question of the Vice Presidential candidate, when he said "I personally would vote for his [Mr. Wallace's] renomination, if I were a delegate to the Convention." The President added that "obviously the Convention must do the deciding. And it should . . . give great consideration to the pros and cons of its choice." Four years ago, when President Roosevelt was nominated for a third term, he had indicated Mr. Wallace as his choice for Vice President.

The views of the President at the present time were conveyed in a letter under date of July 14 from Hyde Park, N. Y., to Samuel D. Jackson, of Indiana, permanent Chairman of the Democratic National Convention, made public as follows on July 17:

THE WHITE HOUSE
Washington

Hyde Park, N. Y., July 14, 1944.

My dear Senator Jackson:

In the light of the probability that you will be chosen as permanent chairman of the convention, and because I know that many rumors accompany all conventions, I am wholly willing to give you my own personal thought in regard to the selection of a candidate for Vice President. I do this at this time because I expect to be away from Washington for the next few days.

The easiest way of putting it is this: I have been associated with Henry Wallace during his past four years as Vice President, for eight years earlier while he was Secretary of Agriculture, and well before that. I like him and I respect him and he is my personal friend. For these reasons I personally would vote for his renomination if I were a delegate to the convention.

At the same time I do not wish to appear in any way as dictating to the convention. Obviously the convention must do the deciding. And it should—and I am sure it will—give great consideration to the pros and cons of its choice.

Very sincerely yours,
FRANKLIN D. ROOSEVELT.

Honorable Samuel D. Jackson,
Stevens Hotel,
Chicago, Ill.

On July 18 Vice President Wallace left Washington for the convention to take personal charge of the campaign in his own behalf at Chicago, where, it was stated by the Associated Press, a host of rivals for the Vice Presidential nomination have developed apparent strength.

Interesting Situations

G. A. Saxton & Co., Inc., 70 Pine Street, New York City, have prepared interesting memoranda on Associated Electric Co., Cleveland-Cliffs Iron, Giant Portland Cement, Interstate Bakeries, National Fireproofing, New England Power Association, and New Orleans Great Northern Railway. Copies of these memoranda, and the current issue of the firm's "Preferred Stock Guide" containing comparative figures on public utility preferred and common stocks, may be had upon request.

Harvey, Kline & Co., Inc.

ST. LOUIS, MO. — Harvey, Klein & Co., Inc., 320 North Fourth St., is continuing the investment business of Seddon, Morfit & Harvey, Inc. Officers are: Thos. U. Harvey, President; Collins Thompson, Vice-President, and Elmer B. Klein, Secretary and Treasurer. All were formerly officers of Seddon, Morfit & Harvey, Inc.

Harvey, Klein & Co., Inc., will be members of the St. Louis Stock Exchange, with Mr. Klein holding the membership.

Missouri Brevities

St. Louis Breweries Important Contributors To Local Industrial And Investment Activities

Home of "The World's Largest Brewery" and by that fact known internationally as an important brewing center, St. Louis in addition has developed a number of smaller, well-entrenched units in the industry whose earnings and dividends have attracted an ever widening investor interest in recent years. Wartime restrictions on bottle purchases, capping materials, shipping containers, malt consumption, transportation and delivery coupled with shortages in certain substitute ingredients used in brewing have been met intelligently and aggressively by St. Louis brewery managements as reflected in the comparative statements of these companies covering the period since our entry into the war. Statistical highlights covering the companies whose stocks are publicly traded follow:

Anheuser - Busch, Incorporated had net earnings of $6,081,789 in 1943 equal to $6.76 per share on 900,000 shares of capital stock compared with $6,439,818 or $7.15 per share in 1942. Book value $54.71 per share. Dividends of $4.00 per share paid in 1943 and $2.75 distributed to date in 1944. No bonds, bank loans or preferred stock at Dec. 31, 1943. Cash and Governments (excluding $3,000,000 U. S. Certificates in deferred capital expenditure fund) totalled $8,310,784 compared with total liabilities of $3,693,275. Market 81-85. In addition to world famous "Budweiser," "King of Bottled Beer" the company also produces "Michelob," a premium draft beer. Other products include yeast, baker's malt, yeast vitamin extracts, corn syrup, ginger ale, root beer, starches, dextrines, corn products, animal feeds, etc.

Falstaff Brewing Corporation had net earnings of $853,772 in 1943, equal, after preferred dividends, to $1.80 per share on 450,190 shares of common compared with $760,319 or $1.58 per share in 1942. Book value $8.00 per share. Dividends of $0.90 per share paid in 1943 and $0.30 to date in 1944. No bonds, no bank loans at Dec. 31, 1943. Common preceded by $711,248 6% Cumulative Preferred stock $1 par. Current assets of $2,921,874 versus Current Liabilities of $2,162,645. Cash and Governments totalled $1,164,602. Produces "Falstaff" — "The Choicest Product of the Brewer's Art" in its three plants located in St. Louis, Omaha and New Orleans. Market 16-17.

Hyde Park Breweries Association, Inc. had a net profit in the fiscal year ended Mar. 31, 1944 of $522,866 equal to $5.23 per share on the 100,000 shares of $10 par value common stock compared with $486,634 or $4.87 per share in the preceding 12 months. Dividends paid totalled $3 per share in the calendar year 1943 and $1.75 has been distributed to date in 1944. Company has no bonds, preferred stock or bank loans outstanding. As at Mar. 31, 1944 Current Assets totalled $1,718,346 including Cash and Governments of $1,012,523 and compared with Current Liabilities of $696,629. Book value is $28.66 per share. Produces "Hyde Park" — "Seldom Equalled—Never Excelled." Market 45-48.

Griesedieck Western Brewery Company, plant located at Belleville, Illinois, had net earnings of $369,123 in 1943 equal, after preferred dividends, to $5.36 per share on the 62,814 shares of no par common outstanding. This compares with $243,586 and $3.36 per share in 1942. Dividends of $2.00 per share were paid in 1943 and a total of $1.00 to date this year. No funded debt or bank loans. Common is preceded by 23,580 shares of $25 par 5½% Cumulative Preferred stock, each share being convertible into two shares of common. As at Dec. 31, 1943 Current Assets of $1,126,391 including $554,927 Cash and Governments compared with Current Liabilities of $664,304. Book value of common $29.05 per share. Produces "Stag." Market 32½ bid.

Columbia Brewing Company had net earnings of $221,459 in 1943 equal to $1.85 per share on the 120,000 shares of $5 par com-

(Continued on page 294)

Joseph A. Manion With Slayton & Company, Inc.

(Special to The Financial Chronicle)

ST. LOUIS, MO. — Joseph A. Manion has become associated with Slayton and Company, Inc., 111 North Fourth Street. Mr. Manion in the past was an officer of Ryan-Nichols & Co.; prior thereto he was Manager of the sales department of Friedman, Brokaw & Samish and was Trading Manager for Taussig, Day & Co.

With B. C. Christopher Co.

(Special to The Financial Chronicle)

JOPLIN, MO.—Fred R. Doescher is now with B. C. Christopher & Company, 118 West Fourth St.

Mutual Funds

Looking Ahead

It has been more than a year since we ventured the prediction that the post-war era would witness such growth in the investment company field as to produce a single company—perhaps several—with assets of more than a half-billion dollars.

This may have sounded like wild speculation to many persons closely associated with the industry. And yet the events of the past year have, we believe, materially increased the prospect of a half-billion dollar investment company in the post-war period.

What has happened to justify this confidence? A year ago there was only one open-end company with assets of more than $100 million. Today that is still the case. But another company which a year ago had assets of approximately $60 million is presently approaching the $100 million gold.

One medium-sized company has more than doubled its net assets in the past year. A number of others have also shown phenomenal growth. And this in a year of wartime restrictions and uncertainties. Consider the possibilities in a year of post-war boom proportions!

More significant and also more encouraging than growth figures alone is the fact that in the past year the volume of investment company sales has steadily risen in proportion to total sales on the New York Stock Exchange. This trend is clear indication of the widening acceptance of investment company shares by American investors.

In view of the great dispersal of wealth which has occurred in this country during the past five years, the major market for investment company shares (small and medium-sized investors) has been vastly enlarged. Depending on post-war market levels, there may be $100 billion of listed corporate securities outstanding in the post-war period and it does not seem unreasonable to assume that as much as 10% of this amount will eventually be held through the open-end investment companies.

* * *

Brevits makes out a case for common stocks from the figures in an article published in the June issue of "The Exchange." The article reveals that out of 4,808 bond issues examined, 27.2% were in default or partial default during the depression of the early 1930's.

Comments the article: "It is true that many, even good-grade stocks cut or passed or paid irregular dividends for a time, but there was always the chance of higher dividends later. It is also true that years of litigation over numerous bonds caused expenses to accrue against assets . . . and the holders frequently received in exchange securities of less value and drawing less income than the original investment produced."

* * *

"128 Billion Idle Dollars" is the title of the current issue of **Keynotes.** A chart of the nation's liquid funds reveals that bank deposits and currency in circulation have risen from $57 billion in 1937 to $128 billion in February of this year.

"On average, Americans have cash reserves equal to more than one year's normal income!

"Rising prices for securities — stocks as well as bonds — depend upon two factors: (1) the capital with which to buy and (2) the desire to buy. Liquid funds are available in unprecedented volume. The public's urge to put this money to work by buying stocks has quickened since the Invasion."

* * *

"In just the past 60 days," writes Kenneth S. Gaston, President of **Distributors Group,** "investment dealers like yourselves have sold for us $2,680,557 worth of the best-known listed steel stocks — and have made $160,833 by doing so. . . .

"This was only a fraction of the business we have been doing in leading listed stocks and bonds—all of it through dealers."

This letter — mailed to NASD member dealers not already doing business with Distributors Group —goes on to point out the advantage to the dealer in handling mutual fund shares. Included in the mailing were samples of Distributors Group sales literature on **Steel Shares of Group Securities, Inc.**

* * *

Manhattan Bond Fund, in its monthly report of investment holdings, gives the growth record of the fund. From total assets of $36,014 on July 1, 1938, it has grown to $19,658,851 as of July 1, 1944.

* * *

Insuranshares Certificates, Inc. reports net assets of $4,421,596 as of June 30, 1944, equal to liquidating value per share of $9.80.

Mutual Fund Literature

Selected Investments Co.—The current issue of "These Things Seemed Important" . . . **Distributors Group** — Investment Report on **Group Securities, Inc.** for July, portfolio folders on **Railroad (Bond) Shares, General Bond Shares** and **Low Priced Shares . . . Keystone Corp.**—The June issue of the **Keystone Investor.**

Dividends

Boston Fund—A quarterly dividend of 16 cents per share payable Aug. 21, 1944, to shareholders of record July 31.

Former NYSE Employe Killed In Action

Word has been received from the War Department that Charles G. Coleman, who was an employee on the trading floor of the New York Stock Exchange prior to his entering the Service, was killed in action during a recent bombing mission over Germany. He was 26 years old. At the time of his death he was a First Lieutenant serving with the 96th Bomb Group, 413th Squadron, as a bombardier. Surviving are his widow, Mrs. Charles G. Coleman, Jr., and his grandmother, Mrs. Charles O. Coleman, who reside at 189-38 46th Avenue, Flushing, and his parents, Mr. and Mrs. Charles G. Coleman, who reside in New Jersey. He is the second employee of the Exchange in the Armed Forces to make the supreme sacrifice and in his memory the Exchange flag was flown at half-mast.

Thirty-six other members of the New York Stock Exchange community have also given their lives in this War: 2 members of the Exchange; 1 Stock Exchange employee; 6 partners of member firms and 27 member firm employees. The Service Flag of the community, which flies from the Broad Street building of the Exchange, records the community's armed service representation of 6,000.

Insurance Supervision—Where Draw The Line?

(Continued from page 282)

broadly construed, insurance is interstate commerce. The fact that Congress has not legislated in all these years, but has permitted the States to control this great enterprise, and that Federal officers have never before sought to enforce these statutes against insurance companies, is in itself very strong proof that the Sherman Anti-Trust Law was never intended to apply to insurance contracts.

Whether the supervision of the future is by Federal or State officials or a combination of both, one thing is certain, and that is that the insurance business cannot be conducted with intelligence, with safety, or in an orderly fashion if the anti-trust provisions are to be enforced against it. There must be price-fixing, fair both to company and public, in many of the important branches of the business. Otherwise there will be confusion, chaos and bankruptcy. We have gone through this before, and certainly no representative body of law makers will want us to go through it again.

The fire companies are more concerned with the immediate future than other lines, since the decision affects them directly. It is unfortunate that the problem of the regulation of the most important business in the country should be forced upon us for discussion and action in the most trying period of the most terrible war in history. It is encouraging that the Attorney General has indicated that no effort to enforce the anti-trust laws against rating agreements will be made until Congress has had an opportunity to act.

Need for a Truce

Congress would do well to content itself, as has been suggested, with passing legislation which will remove State-sponsored insurance agreements from prosecution under the anti-trust Acts and leave general regulation to the States as heretofore, until we can catch our breath, have time to think, and decide wisely for the future. During this period the States will have an opportunity to assume control of rates, where not already exercised, and improve supervisory control where, from the national point of view, it has proven ineffective. The fixing of fair and reasonable rates for large concerns having property and employees located in a number of States is certainly one of the problems which must be promptly met and solved by State supervisors.

The companies contend that a State had no control over the fixing of rates or prices in another State. In the New York State Department of Insurance we were of the opinion that where a risk in another State was charged only a nominal amount, in order to indirectly effect a substantial reduction of premium in New York, we did have power to act. Some companies were fined for flagrant violations of the rating structure, even though the rebates occurred in other States. But whether the States have such legal power or not, it is admittedly difficult for them to control the price for insurance upon plants under common ownership and control but located in many jurisdictions. It could be accomplished through national rating organizations, supervised by the National Association of Insurance Commissioners. While the National Association is voluntary, it has very great power through suggestion and publicity over the actions of the companies, and even more through the fact that each State does have power to secure the enforcement of the rules of the National Association within its own borders.

Were it not for some 80 years of experience during which State supervision has been built up and perfected, logic would call for Federal supervision of this great industry.

State supervision began in the States along the Eastern Seaboard because something had to be done to control the solvency and practices of insurance companies, and the States which chartered them were naturally called upon to safeguard the policyholder and the company.

In *Freedom from Fear*, written a few months before the Supreme Court decision but published at about the same time, I say:

"The threat of Federal regulation of insurance always hangs overhead like the sword of Damocles. If we were to start anew to devise a system of regulation without our background of State supervision, it would undoubtedly be partly Federal in character. Insurance is a great national and international institution and cannot be viewed solely from the viewpoint of the individual States. But we have had over 80 years' experience with State supervision. It has been constantly improved and should not now be scrapped. While there are some things which must be rectified in order to procure effective control on a national basis, in the main, State supervision not only has been efficient but has given satisfaction to the policyholders who are most concerned and should have most to say about it."

While States have made very great progress, they have not fully appreciated the necessity for regarding supervision of the business as a national as well as a local problem. There are still too many differences in laws and methods among the States and not sufficient effort has been made to create a supervisory structure suited to the nation's business as a whole. Companies sometimes defend the short-cutting of State rules and requirements because they do not always provide a practical and workable national pattern. It is more difficult for the States to act together in securing adequate control than it would be for the national Government, but it is by no means impossible, and the decision of the Supreme Court will give impetus to substantial progress in that direction. It is encouraging that several of the leaders in Congress have indicated a desire to help the States create a more effective supervision rather than take it away. There is undoubtedly great possibility of sound and useful progress in Federal legislation which will coordinate State control and make it more effective.

Investments Safe from Government Ideologies

The greatest fear of Federal supervision on the part of policyholders as well as persons connected with the industry was stressed by J. Ruben Clark Jr. in his address before the American Bar Association in Philadelphia in 1940—the danger of Federal meddling with the huge investments of these companies. No matter how stable the dollar or how sound is Government finance, it is undoubtedly the desire of the great mass of the people whose future is so dependent upon the assets of these companies that the insurance principle be preserved; that the funds in reserve be held intact; that there be no interference by Government ideology in the selection of the best possible legal investments by those in charge of the companies. There is no immediate danger that the Federal Government will in any way influence or interfere with the investments of insurance companies, but there is undoubtedly fear of what may happen in the

future if the trend toward centralization continues.

In 1903, when President Theodore Roosevelt suggested the creation of the Bureau of Insurance in the Department of Commerce, there was much greater support of Federal supervision than there is today.

There is only one bulwark upon which State supervision can permanently depend, and that is the constant improvement of its efficiency. It must be more and more responsive to the needs of the public. It must correct those weaknesses which from time to time arise. It is service and service alone which can make permanent the supervision of the States.

To quote again from *Freedom from Fear:*

"Most of the people who die in this country have little or nothing to leave their families except life insurance. They depend upon it for the protection of their loved ones; above everything else they want it to be safe and sound. As policyholders they are not interested in party or national ideologies: they are interested in security. The only substantial protection which the States have against Federal control is the desire of policyholders to keep supervision where it is. The States can retain this important administrative power, which brings revenue as well as prestige only if their supervision gives satisfaction and confidence."

Canada as a Pattern

The worst thing that could happen would be double supervision. This would be expensive as well as confusing and would be a hardship to the companies and the public. If the Federal Government is to supervise in any important respect, its efforts should be directed along a few main lines, looking toward the financial solvency of interstate companies and any interstate rating problems which cannot be effectively handled by the States. It is impossible to take all control away from the States because there are many companies which do not operate outside of State limits and many relationships between companies, agents and policyholders which are subject to local regulation. As has been said in Canada, where there is both Dominion and Provincial supervision, it would be possible for the Provinces to carry on all of the supervision, but it would be impossible for the Dominion Government to effectively supervise without the aid of the Provincial departments. If the Congress decides that the Federal Government take an important part in the supervision of insurance, the Canadian system has much to commend it.

The Dominion Superintendent of Insurance has control of the licensing, examination and financial solvency of all companies which do business in more than one Province. When licensed by the Dominion, these companies are permitted to do business in the Provinces without further question as to financial condition. On the other hand, the Provinces examine their own local companies, license and regulate agents and brokers, prescribe the kind of contracts and coverages, have charge of the relationship between the company and the policyholder. While there has been some overlapping in Canada, on the whole the system has worked well.

If the Federal Government does elect to assume part of the responsibility for the supervision of insurance, it should confine itself to those national problems which it is most difficult for the States to solve. It should not add unreasonably to the dangerous swing toward centralization which is taking place in this country, and even more so in many other nations of the world. It is of first importance for all of us that local self-government and a close relationship between the people of each locality and their Government be preserved.

Bank and Insurance Stocks

This Week — Insurance Stocks

By E. A. VAN DEUSEN

Fifteen representative stock fire insurance companies, as a group, approximately doubled their holdings of United States Government securities during the past five years. On Dec. 31, 1938 their total holdings aggregated $97,668,000, and on Dec. 31, 1943 they aggregated $193,901,000, an increase of $96,233,000 or 98.5%. The largest increase was made by Insurance Company of North America with 211.8%, and the smallest by National Fire with 20.6%. Eight of the fifteen companies more than doubled their holdings, as shown below in Table I:

TABLE I

HOLDINGS OF U. S. GOVERNMENT SECURITIES

	12-31-38	12-31-43	Increase	
Aetna	$13,290,000	$17,158,000	$3,868,000	29.1%
Agricultural	2,338,000	2,901,000	563,000	24.1
Continental	6,655,000	15,270,000	8,615,000	129.5
Fire Association	2,726,000	6,466,000	3,740,000	137.2
Great American	2,213,000	3,469,000	1,256,000	56.8
Central Hanover	3,548,000	6,291,000	2,743,000	77.3
Hartford	13,576,000	35,799,000	22,223,000	163.7
Home	9,693,000	27,407,000	17,714,000	182.8
Insurance Co. of North America	4,850,000	15,122,000	10,272,000	211.8
National Fire	16,563,000	19,976,000	3,413,000	20.6
North River	6,349,000	8,952,000	2,603,000	41.0
Phoenix	8,370,000	13,997,000	5,627,000	67.2
Prov. Washington	2,251,000	4,662,000	2,411,000	107.1
St. Paul F. & M.	1,302,000	5,138,000	3,836,000	294.6
Springfield	3,944,000	11,293,000	7,349,000	186.3
Total	$97,668,000	$193,901,000	$96,233,000	98.5%

The fact that total investments in Governments doubled does not mean, however, that the percentage which they bear to total invested assets also doubled. On Dec. 1, 1938 the average percentage of Governments for the fifteen companies was 16.6%, while in Dec. 31, 1943 the average was 25.7%, or 55% greater. This difference is explained by the fact that total invested assets of the fifteen companies also expanded, having increased from $588,361,000 at the end of 1938 to $754,479,000 at the end of 1943, a gain of $166,118,000 or 28%.

Table II shows the percentage holdings of each company, as to Government bonds and total bonds, for Dec. 31, 1938 and Dec. 31, 1943.

TABLE II

BOND HOLDINGS: PERCENT OF INVESTED ASSETS

	12-31-38			12-31-43		
	U. S. G.	Other Bonds	Total Bonds	U. S. G.	Other Bonds	Total Bonds
Aetna	30.3%	26.9%	57.2%	30.8%	16.0%	46.8%
Agricultural	18.0	14.9	32.9	20.9	14.2	35.1
Continental	7.4	19.4	26.8	14.4	17.6	32.0
Fire Association	14.0	12.4	26.4	27.9	4.0	31.9
Great American	5.1	20.7	25.8	7.3	16.3	23.6
Hanover	24.3	17.6	41.9	35.0	12.9	47.9
Hartford	15.7	21.3	37.0	29.2	11.3	40.5
Home	9.9	12.9	22.8	27.2	13.0	40.2
Insurance Co. of N. A.	5.1	14.5	19.6	12.8	5.6	18.4
National Fire	36.5	13.3	49.8	39.8	6.1	45.9
North River	32.0	4.7	36.7	42.5	7.4	49.9
Phoenix	15.3	10.6	25.9	22.5	5.7	28.2
Prov. Washington	17.6	16.3	33.9	31.9	3.4	35.3
St. Paul F. & M.	3.5	56.7	60.2	10.5	51.0	61.5
Springfield F. & M.	14.1	27.5	41.6	33.1	10.4	43.5
Averageg of 15	16.6%	19.3%	35.9%	25.7%	13.0%	38.7%

There are a number of points of interest in the table, particularly when studied in conjunction with Table I. For example, Aetna's Government percentage remains substantially unchanged, though the dollar volume increased 29%. The Government percentages for Home and St. Paul approximately trebled. In the case of Home, a rather drastic change in investment policy occurred for, as will be noted in Table III, Home's percentage in common stocks, excluding bank and insurance, dropped from 46.9% to 26.5%. As regards St. Paul, its percentage in Governments still remains next to lowest in the group, while it holds an unusually high percentage in state and municipal bonds. Six companies, viz:, Continental, Fire Association, Hartford, Insurance Co. of North America, Providence Washington and Springfield, have each approximately doubled their percentage holdings of Governments. Great American, with 7.3%, shows the lowest Government percentage in the group.

With regard to stock holdings of the companies, the relative percentages for preferred and common for each company are shown in Table III, as follows:

TABLE III

STOCK HOLDINGS: PERCENT OF INVESTED ASSETS

	12-31-38				12-31-43			
	Preferred Stock	Common			Preferred Stock	Common		
		Bank & Ins.	Other	Total		Bank & Ins.	Other	Total
Aetna	7.8%	26.1%	7.0%	33.1%	5.7%	39.2%	5.0%	44.2%
Agricultural	14.9	20.4	22.4	42.8	13.5	17.4	23.4	40.8
Continental	14.1	31.7	25.5	57.2	11.1	31.5	25.2	56.7
Fire Association	25.2	18.5	21.3	39.8	18.6	22.6	20.7	43.3
Great American	18.5	31.5	24.2	55.7	17.0	30.3	29.1	59.4
Hanover	9.4	19.6	27.9	47.5	10.4	18.1	23.6	41.7
Hartford	10.7	40.7	6.0	46.7	13.2	38.3	4.9	43.2
Home	15.1	15.2	46.9	62.1	11.8	17.3	26.5	43.8
Insurance Co. of N. A.	23.4	27.6	23.4	51.0	23.3	27.6	26.2	53.8
National Fire	10.6	27.4	10.5	37.9	12.3	27.7	7.3	35.0
North River	13.2	4.1	44.5	48.6	13.0	4.1	32.5	36.6
Phoenix	5.1	51.6	15.6	67.2	8.2	53.0	9.5	62.5
Prov. Washington	11.6	24.4	29.3	53.7	14.0	20.1	30.0	50.1
St. Paul F. & M.	3.9	24.3	3.2	27.5	6.0	26.7	2.8	29.5
Springfield F. & M.	6.6	31.8	14.9	46.7	8.6	33.5	10.9	44.4
Average of 15	12.7%	26.3%	21.5%	47.8%	12.5%	27.2%	18.5%	45.7%

From this table it will be observed that comparatively little change has occurred, when considered as a group. The average percentage for preferred stocks is now 12.5% compared with 12.7%; bank and insurance stocks are slightly higher at 27.2% compared with 26.3%. The greatest change has occurred in "other common stocks", which have declined from 21.5% to 18.5%. Individual companies, however, show fairly marked changes. Aetna, for example, shows quite a jump in bank and insurance stocks, while Home, North River, Phoenix and Springfield show substantial percentage drops in "other common stocks". It is also of interest to call attention to North River's unusually low percentage in bank and insurance stocks, and Phoenix's unusually high percentage.

By and large, the investment portfolios of leading fire insurance companies are excellently balanced as between bonds, preferred stocks and common stocks, and their equity risks are well diversified among the industries of the nation. Hitherto, it has been possible to class companies, in accordance with the predominant character of their portfolios, into two general groups, viz: "bond holding" and "equity holding". Latterly, however, heavy war costs have made it imperative for these companies to support the Government's financing plans and to buy bonds to such an extent that the line of demarcation between "bond" and "equity" companies has been somewhat dulled, though not obliterated. For example, we can still classify Continental, Great American, Insurance of North America, Phoenix and Providence-Washington as "equity holding" companies, since their percentages in common stocks well exceed the average. Also Aetna, Hanover, Hartford, National Fire, St. Paul and Springfield are still classed as "bond holding" companies, with bond percentages well above average. Home and North River, however, which formerly were in the "equity" class, this year fall into the "bond" class.

Missouri Brevities

(Continued from page 291)

mon outstanding versus $222,232 and $1.85 per share in 1942. Dividends of $1.00 per share paid in 1943 and $0.50 per share to date in 1944. As at Dec. 31, 1943 the company had outstanding $155,000 Serial 3¼% Notes due Jan. 15, 1947. Current Assets totalled $751,991 including $324,060 Cash and U. S. Tax Notes compared with Current Liabilities of $228,-786. Book value $13.83 per share. Produces "Alpen Brau"—"It's the Tops."

Chain of Rocks Bridge Report —Possible Refunding

Chain of Rocks (Kingshighway Bridge) acquired in 1939 by the City of Madison, Illinois has released its annual report for the fiscal year ended Apr. 30, 1944. Gross revenues of $167,592 were off $46,920 from the preceding year; however, due to lower expenses resulting from the absence of painting costs and removal of guards during part of the year, net income totalled $103,271, a drop of only $28,476. Interest charges on the $2,100,000 Revenue 4's due 1964 were earned 1.23 times compared with 1.57 times in the year ended Apr. 30, 1943.

Lower revenues were caused by rationing of automobiles, tires, and gasoline as well as flood waters which necessitate closing the bridge for a period of 50 days from May 23 to July 12, 1943. Balance sheet as at Apr. 30, 1944 shows total cash in banks or on hand of $221,099 compared with current liabilities of $44,712. No bonds were retired during the year; however, $80,000 par value were redeemed June 1, 1944, leaving $2,020,000 still outstanding. It is reported that the City Council has authorized the signing of a contract with the Sarjem Corporation, Chicago, to refund the issue with new bonds bearing 4% interest for three years and 2¾% thereafter.

Jefferson Hotel Amended Plan Expected To Be Filed

The original reorganization plan of the Jefferson Hotel Company, St. Louis, held invalid by U. S. District Judge Hulen on the grounds that "inaccurate, erroneous, and misleading information" had been furnished to bondholders, is expected to be amended with more liberal treatment for the senior security. Hearings are scheduled for the week of July 17. Quotations on the bonds have moved up several points during the past month.

FIC Banks Place Debs.

A successful offering of an issue of debentures for the Federal Intermediate Credit Banks was concluded July 17 by Charles R. Dunn, New York fiscal agent for the banks. The financing consisted of $27,455,000 0.90% consolidated debentures dated Aug. 1, 1944, due May 1, 1945. The issue was placed at par. The proceeds, together with cash funds, were used to retire $28,345,000 of debentures due Aug. 1, 1944. As of Aug. 1, 1944, the total amount of debentures outstanding will be $288,275,000.

"Time To Re-Stock"

Strauss Bros., 32 Broadway, New York City, have issued an interesting bulletin entitled "Time to Re-Stock," which discusses the question of what are the most strongly situated types of investments to benefit from the insatiable demand for civilian goods that will grow to enormous proportions before war production has ceased. Copies of the bulletin, which reviews specific securities of interest to retail dealers, may be had from the firm upon request.

Visit N. Y. Stock Exchange

I. M. Weinstein, President of National Linen Service Corp.; J. B. Jacobs, Executive Vice-President; S. H. Vicknair, Secretary-Assistant Treasurer, together with Jacob Landau, Counsel for the company, were guests on July 17 of Emil Schram, President of the New York Stock Exchange, upon the occasion of the admission to trading of the corporation's common shares. The guests visited the trading floor and had luncheon at the Exchange with Mr. Schram and other Exchange officials.

Now Proprietorship

CHICAGO, ILL. — William M. Wadden, Jr., is now sole proprietor of Wadden & Company, 208 South La Salle Street. Mr. Wadden was formerly a partner in the firm.

"Unconditional Surrender"

(Continued from first page)

quence of the way we were maneuvered into the war by steps which we were told led to peace and of the substitution of the phrase "unconditional surrender" for any realistic program for the peace.

I find that some Americans who were originally skeptical of "unconditional surrender" are now inclined to accept it for the simple reason that the progress of the war will make it comparatively easy to enforce against a completely defeated Germany. That, however, does not substantially alter the case against the phrase as a comprehensive war aim. That case rests upon three irrefutable arguments.

1. It masks, without solving, differences of opinion among the Allies and in the Allied countries. It substitutes, temporarily, the gratification of power for the solution of problems. It makes issues worse by postponing them. Neither the hysteria of victory nor the post-war reaction will provide a climate for their easy solution.

2. The phrase is misleading. Even in, or after, total victory our military and civilian leaders will be negotiating with somebody. In Italy unconditional surrender really meant secret armistice terms arrived at not by negotiations with the democratic forces but with the King and Badoglio, the very men who had made fascism possible.

3. The inevitable effect of unconditional surrender is to unite the enemy peoples, perhaps in despair, more closely to their rulers, and so prolong the war. The boastful phrase is not worth the life of one more American boy, dying in the tortured agony of battle, or of one European town or village which might otherwise have been spared the destruction which war, even for liberation, brings upon them.

In place of unconditional surrender as a war aim, the Allies ought to be conducting a political offensive based on a reasonable statement of peace aims. That does not mean appeasing Hitler. The preliminaries to any sort of peace must be the end of Nazi power. If that could come from within Germany so much the better. Peace will require the disarmament of Germany and Japan, the restoration of loot, wherever possible, and recompense to refugees. It will require some arrangement under which the economy of Europe can be operated for the benefit of Europe.

But even then there will be no lasting peace if the Allies go beyond these terms to blind vengeance against the whole German or Japanese people as distinguished from the war criminals. The disarmament of enemy peoples will not guarantee peace of itself unless the end of aggressive armaments and universal military conscription is rapidly made world-wide. And that requires the assertion of two principles: (1) recognition of the right of all people to self-government, a principle altogether inconsistent with the maintenance of imperialism and especially white supremacy; and (2) the beginnings of organized cooperation, economic and political, between the peoples of the world freed from any foreign yoke.

I recognize the difficulties in the way of making a satisfactory beginning along these lines. A difficulty made greater because the United States has never clearly stated these principles to her Allies or to the world. But great as the difficulties are, they are as nothing to the certain perils of new war in, for instance, Walter Lippmann's latest scheme of peace by alliance between a so-called "Atlantic Communtiy" and a "Russian Orbit" in which self-determination is outlawed except for the strong.

I refer to Mr. Lippmann because of the discussion attending his recent book. Actually both the Democratic and Republican Parties are likely to settle verbally on President Roosevelt's vaguely described "great design," which calls for a revised League of Nations, completely dominated by the Big Four—in reality the Big Three—and tacitly committed to the impossible task of underwriting each other's imperialism. That way lies war and, and only war. I challenge Messrs. Dewey and Roosevelt to prove the contrary.

And I challenge every proposer of every plan for peace to show one reason why we should expect so great a boon unless consciously we will direct the technology which has so marvelously produced for war to the universal destruction of unemployment and poverty, across the lines of race and color. It will be the Socialist insistence in this campaign that plenty, peace, and freedom are bound together, and that to achieve them requires us, beginning at home, not only to support a peace based on mutual forgiveness, the end of imperialism, and the beginning of true cooperation, but also upon a fraternity of races in winning economic security, while still preserving and increasing liberty.

Appreciation Possibilities

Common stock of Consolidated Textile appears to possess considerable appeal for price appreciation possibilities as a radical speculation, according to a study of the situation issued by Newburger & Hano, 1419 Walnut St., Philadelphia, Pa., members of the New York and Philadelphia Stock Exchanges. Copies of this interesting memorandum may be had from the firm upon request.

Canadian Securities

By BRUCE WILLIAMS

Country-wide elections bring to the fore all the burning problems of the virile, young democracy of Canada. Broadly speaking, they fall under three headings:

(a) the growth of the left-wing cooperative-minded C. C. F.,

(b) the isolationist tendencies of French-speaking Quebec, and

(c) doubt as to the future of Canada's war-inspired spectacular industrial development.

Let us briefly consider these questions with the object of assessing their possible impact on the future of the Dominion.

(a) In a healthy democracy such as Canada the world-wide swing to the left must inevitably be followed. Its influence is noticeable in all parties in the Dominion but its most extreme expression is exemplified by the C. C. F. Although the movement naturally attracts the most rabid radical elements in the country, happily the main body of its adherents is composed of a solid class of citizenry — farmers, clerics, school teachers and, of course, the expanding category of industrial workers.

The movement was born in Saskatchewan in the depths of the early thirties, but it is now maturing in an entirely different atmosphere. Never before in its history has Canada been more prosperous, and as there is every reason to believe that the Dominion is on the threshold of a still greater future, the logical conclusion is that, as always, prosperity is the finest antidote for any form of extremism.

Above all the solid character of the Canadian people, with its strong Scottish influences, should preclude any violent swing to the left.

(b) The Province of Quebec has always represented a major problem for all Canadian governments. Mr. Mackenzie King, although accused of weak-kneed appeasement of the province, has nevertheless done much to bring Quebec nearer to the rest of Canada. From the province itself, there are signs that French-Canadians are seeing the advantages of learning English and sharing more in the prosperity of the country. This in itself will tend to bring about a better understanding with English-speaking Canada, but a greater factor is likely to be a future large scale immigration from the British Isles and this country.

Owing to its rapid growth of population, Quebec has always attempted to challenge its minority position in relation to English-speaking Canada, and the realization of the futility of endeavoring to contest this question will undoubtedly lead to a policy of greater cooperation with its other partners in the Dominion.

(c) Canada's industrial future should not constitute a cause for worry. On the contrary, no other country in the world will emerge from the war better equipped to look ahead with confidence. Canadian industry has commenced where the older industrial nations left off. It has been able to adopt the best of our own and British methods, and can draw on huge undeveloped natural resources.

The exigencies of war have also called for extreme flexibility and it will be an easy matter to adapt the brand new Canadian war plants to peacetime requirements.

The greatest single asset, however, is the Canadian empire of the North. No other area on earth offers a greater challenge to the youth of Canada and other countries returning from war than the Canadian North West. After the last war, demobilized Canadian pilots turned their energies to bush-flying, which resulted in the discovery of radium on the shores of Great Bear Lake, of oil in the Mackenzie Basin, and gold in the Yellowknife district of the North West territories. Long before this war, Edmonton was the world's largest air-freight port, and in the post-war period its development should be spectacular. Thus it can be foreseen that the full exploitation of the northern areas of the fabulous Laurentian Shield will mark a new era in Canadian history.

Turning to the market for the past week, there was very little material for comment. Activity was at a minimum and in general there was a further slight decline in prices. There was again a disinclination to operate until a better opinion can be formed as to election prospects in Alberta, Quebec and New Brunswick.

There were a few offerings of internal bonds and the Canadian dollar in the "free market" declined to 9⅞% discount, but there was again feverish activity in gold shares on further reports of favorable diamond-drilling results in the Yellowknife area of the North West territories.

With regard to possible future developments, it is difficult to see anything but a quiet and dull market generally until the uncertainty caused by the forthcoming provincial elections ceases to be the most important factor.

Monetary Chaos

(Continued from first page)

not certain whether prices will rise substantially. As to commercial credit expansion after the war, its dangers may be minimized by the kind of credit control which we have developed, and which is likely to survive the war as well as the Democratic Administration.

The Present Inflationary Potential

Assuming that the national deficit will be rapidly reduced after the war—an optimistic assumption not altogether warranted—the central problem is that of the disbursement of pent-up cash funds. Two years ago the raising of this problem was regarded as unnecessary pessimism. By this time, all competent authorities, public and private, agree on one thing: that the unspent savings are hanging over the post-war markets as a Damocles' sword. Lately, Chairman Eccles of the Federal Reserve System brought this out with all clarity: "The inflationary potential which, it is estimated, will exist on June 30, 1944, measured by demand deposits and currency, savings deposits in the banks and Government securities held by business concerns and individually, but excluding Government securities held by life insurance companies and banks, will amount to 194 billion dollars; 113 billions held by individuals and 81 billions by business. This compares with liquid holdings as of June 30, 1941, of 48 billions held by individuals and 31 billions held by business, a total of 79 billions. In other words, there will have been an increase in the three-year period of 115 billion dollars."

Note that government bonds held by life insurance companies are not counted. But what about the cash surrender value of life policies, totaling well over $30 billions, some of which may also be transformed into actual cash? Nor are the deposits in savings and loan associations mentioned, amounting to almost $6 billions. All told, we have a total of cash or convertible savings of approximately $1,500 per capita of the American population as against $400 to $500 in June, 1933, and about $900 two years ago.

There is no way of escaping Mr. Eccles' conclusion: "This tremendous volume of liquid holdings of individuals and business constitutes the inflationary potential, and this does not take account of the billions of additional dollars that would be added if consumer credit and other forms of credit, which have been largely liquidated during the war, were to expand."

The Real Potential

Nor does it take account of the fact that the process of inflating the potential shows no sign of stopping. Even if the war ends soon, we may just as well figure on a $50 billion annual deficit for the next three fiscal years, including the final liquidation of war contracts. Virtually every cent of this deficit is added to the national income and permits boosting the volume of pent-up purchasing power by an equal, if not larger, amount. In other words, it is safe to predict that by the middle of 1947—if and when demobilization and reconversion are definitely over—we will have a total national debt of $350 billions or so, and a total of cash savings ready for disbursement of probably more than $350 billions, or some $3,000 per capita of every American, man, woman and child. After which, the process may still not stop, but is likely to be slowed down—provided in the meantime prices do not get "out of hand."

Pent-Up Demand

The argument that this country's "unlimited" capacity to produce will offset the pent-up volume of purchasing power is becoming the more silent the more that volume is growing. So is the other argument that the accumulated savings will not be disbursed to any major extent. However, it may be worth-while to re-state briefly the essentials:*

1. The volume of cash savings is out of all proportion to the normal demand of the public and of corporations for "liquidity." The more so since private and corporate debts have been reduced by many billions. As a matter of fact, per capita cash savings have outrun, for the first time in history, the per capita annual national income, and the former continues to increase faster than the latter. It is most unlikely that such an extraordinary level of liquidity should be maintained for any length of (peace) time.

2. As the war ends, acute shortages of durable goods will confront both consumers and producers. Industrial demand for capital goods cannot be postponed because it is essential to carry out reconversion. Voluntary postponement of consumers' demand for durables will be impeded by psychological factors (such as the desire to live the good life "earned" through the war effort) and by the need for proper housing, transportation, etc., so as to maintain living standards and individual earning power. In addition, municipalities will press for the carrying out of long-delayed public works. (Some $3,000 millions may have to be spent on urgent road repair and road building jobs alone, as against an annual $1,400 millions expenditure on similar purposes in the 1920's.)

3. On the other hand, it will take probably six to twelve months before industrial reconversion is completed, and several years before even the most urgent pent-up demand for durables will be fully satisfied. It will take years, e.g., to produce 20 million automobiles, which is the minimum demand to be expected if full production will not get under way before 1946, to be compared with the maximum out-put of less than 6 million cars in any single pre-war year. This time lag alone spells rising prices. True, in the long run everybody may acquire the car or house he wants—provided he doesn't ask for a second helping—but the intervening years of adjustment are more than sufficient to carry a runaway inflation from beginning to end.

4. The disparity between over-expanded demand and lagging supply will be further emphasized by the demand of the outer world for American products, such as automobiles, farm and railroad equipment, etc. Unless exports are strictly controlled—or rather embargoed—the gold and dollar reserves of foreign countries, plus lend-lease, open and concealed credits, American charity and tourist expenditures, etc., will provide a world of deflated productive capacity with a volume of dollar exchange that is bound to drive upward the American price level.

5. Reconversion, the disbursement of pent-up cash reserves, export demand, etc. (to say nothing of public works and military requirements) will maintain a high level of employment and will keep up wages or even raise them further. This will tend naturally to raise prices from the cost side as well.

6. If employment and national income are maintained on a substantially high level, the purchasing power created each year will absorb the current production of goods, leaving little for the satisfaction of the pent-up demand.

7. Lastly, the incentive to produce goods to satisfy current income receivers as well as war-time savers, will lead to plant expansion, thus lengthening the process of reconversion and adjustment. The allocation of labor and materials for plant expansion will reduce temporarily the resources available for the production of consumers' goods.

Briefly, the danger is that the more we shall try to out-produce the inflated volume of savings, the greater and the more persistent will be the discrepancy between consumers' demand and the supply to satisfy it.

Imaginary Savings

All of which boils down to a proposal in elementary economics. The money spent to finance the war lands largely in private and corporate hoards of bonds or cash. In either case, the purchasing power thus represented is, or should be, "entitled" to buy battle-ships, machine-guns and other munitions, the production of which it helped to finance. But the owner of the bond or currency expects goods which were not produced. He can get them only if someone else is willing to produce them free of charge, or to keep his current income unspent. If so, the owners of the war-time savings may get what they are asking for. Otherwise, they will have the choice between desisting from buying, or else paying rapidly inflated prices.

The financial cost of the war is measured only in part by the taxes raised during the war. A major part of the cost will appear in the inability of war-time savers to exercise their nominal purchasing power by dishoarding. Their hoards represent savings in monetary terms, but not in real goods.

That is the very essence of the inflation problem: to keep savers, for many years to come, from using their imaginary purchasing power. This power is purely fictitious, because the output it financed consists of goods and services which will either be gone or will be largely unwanted. But how are we going to make the saver understand (and tolerate!) that his money is only a crisp piece of paper, not convertible into the good things of life?

The False Cure

That brings us back to Mr. Eccles who represents a moderate or conservative wing of the New Deal ideology. After having made the correct diagnosis of the under-

*Cf. our articles in the "Commercial and Financial Chronicle of Nov. 18, 1943, and Mar. 23, 1944.

lying trouble, he proceeds to the most primitive cure and the one that is bound to fail. His method is to continue with price fixing, rationing of consumers' goods, export licensing, bank credit control (regulation to hold down installment loans), etc. This raises at once two questions. Does the Chairman realize, what he doesn't mention, that price regulations are only effective if they are comprehensive, covering all commodities as well as labor, prices as well as wages? Obviously, a boom in housing, automotive and equipment industries, etc., will create such demand for certain categories of labor as to inflate the wage bills. Unless we control wages as well as manpower—and it is a basic weakness of the present wage control that it is not combined with the proper manpower allocation policy—costs and prices would soon break through the ceilings. A strait-jacket has to be an over-all strait-jacket, for which there will be little sympathy in the country.

But would it work if it were accepted and applied? In other words, is there any way to keep a capitalistic economy under control when the war-time moral pressures vanish? What if consumers are willing to take refuge in black markets? Whether or not the British, whose post-war planning the New Dealers try to inject in the American scene, will be able to carry out effectively the all-round controls they plan, the success of such a bureaucratic regime in this country under a free entrepreneurial system (and a free union system!) is more than doubtful—when "Remember Pearl Harbor" will have lost its restraining effect.

Apparently it is not being realized how different the problem of price control is in peace-time as against war conditions. The essence of price control is to keep a ceiling effective by keeping the buyer from buying. In war-time this is done by allocating priorities to business, and ration cards to consumers. But priorities are based on the importance of the demand for war purposes; in peace-time, one demand is as important as another and all priorities become purely arbitrary, subject to political football.

The same applies to consumers' goods. Rationing of perishables in a uniform fashion is a comparatively simple matter, even though it may become ineffective if the consumer has plenty of purchasing power and does not get the amount of goods he asks for. But the real difficulty arises with regard to consumers' durable goods, such as houses, automobiles, and also farm implements. Rationing has to be applied to whole units; it is not a matter of getting a pound more or less of sugar, but of getting or not getting a car. What, then, should be the peace-time criteria of deciding who is going to be served in the first year, the second, and the third? Once war-time standards of importance and urgency are gone, the allocation will have to be based on a haphazard drawing of names or on the arbitrary choice of persons — on criteria which are barely rational from the point of view of the consumer who has to go without.

In short, a system of price and allocation control is senseless for a peace-time capitalistic economy because such an economy cannot distinguish between more important or less important, desirable or undesirable, buyers and their needs. The nature of war economy compels to and permits the classification of demands into higher and lower categories since the whole economy serves a comparatively simple and uniform purpose as its primary objective. (It isn't quite simple, as a matter of fact, nor uniform, except compared to the peace-time manifoldness of individual objectives.) The logic is inescapable: that we will have either to abandon controls or to abandon the entrepreneurial system, the free choice of the consumer and the free mobility of labor. Totalitarianism is the only way to maintain the controls (and war economy **is** totalitarianism); it is the way of subordinating individual desires to the arbitrary decisions of the ruling power.

No Control Without Deflation

But the choice is not merely between run-away inflation and all-round totalitarianism. There is a third alternative: Deflation.

Let's be clear about it: Balancing the budget is deflationary, because it reduces expenditures and/or raises tax-revenues. In both ways, it reduces the spendable national income and creates the presumption of more deflation to come.

Non-spending of savings is deflationary, too. The problem is to persuade the saver to hoard—not to spend. This can be accomplished by proper measures, of course at the risk of lowering prices and reducing nominal wages. But which is the lesser evil: to let people indulge in saturnalia of spending in which they will not receive real value for the money spent; or to lower their nominal incomes with the prospect of safeguarding for the future the purchasing power of their savings and keeping the price structure in reasonable equilibrium? Unfortunately, the present political course runs irresisitbly in the inflationary direction.

Big Business Accused Of Seeking Control Of Legislation

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for the bulk of this war from profits of industry on to the pay envelope of the worker. In 1943 they partly succeeded in doing that by imposing the 20% withholding tax while reducing the taxes of big corporations. In 1943 the so-called grass roots conference in Michigan called by the Republican party and many of the good friends of the workers, Clare Hoffman and others of his ilk, talked about sales tax in order to pay off this war and thus further reduce taxation of the big corporations. A study of the record will show that never in all its history, never since it began to produce, did industry make as large profits as it did during the last couple of years.

"We find that in addition to these things, big business has another program. In 1942 they started the program of the post-war period by sabotaging the National Resources Planning Board. That agency was set up by the President to study the problems of post-war employment and make some plans so that when these war industries begin to reduce their employment as the result of cancellation of contracts, that the workers in the country would not suffer but would be gradually absorbed by industries that would be set up to make the products of peace. Big business did not like that. You will remember in 1943 that the CIO announced its program of objectives and asked the Government to make it their objective to plan for economy of full employment; that when the war ends, industry will have developed some kind of program to guarantee workers against the ravages of this war. Big business sabotaged the National Resources Planning Board, because they did not want that kind of economy. They were also talking about full employment. In 1943, however NAM gradually changed the tone of the talk about the post-war period, and instead of continuing to talk about full employment, be-employment." There are probably a good many people who do not realize that there is a great deal of difference between NAM propaganda for a high level of employment and the demand of the CIO for full employment.

"I would like to explain the difference to you: The CIO program of full employment says that the natural resources of this country; that the great wealth of this country, can be developed so that every man and woman who is able to work can have a job. We are today making the engines of destruction, products of war. There is not a single man or woman who is able and wants to work, who can not get a job. The CIO says that there is no reason why the present economy of full employment should not continue in the post-war period, if some intelligent program is developed and if industry is compelled to make their objective — full employment of people.

"It is now coming to light that industry does not want every person to have a job, that industry wants to continue unemployment so that they can pick and choose people whom they want to work in their plant—a condition that we had in the early 1930's. Some people will say that that is a very shortsighted view for business to take. Certainly we recognize the fact that it is to the best interest of the country that we have full employment.

"The President of Studebaker has said: We do not want full employment. The Treasurer of Eastman Kodak begins to say in public speeches that we do not want full employment, we have to give further interest to what big business wants. Paul G. Hoffman, President of Studebaker Co., says in a public speech before a group of employers: 'A job for every person willing and able to work, is absolutely incompatible for free enterprise.'

"There is a difference in having every able-bodied person employed and having prosperous conditions and contented people with job security, living useful and happy lives, as against the millions of unemployed with all the uncertainties of the pay envelope. Because of the difference the CIO has realized that it must develop a strong political organization because of the differences in the program of those who seek to want war by making peace with Hitler and those who want complete unconditional surrender of Germany and the other Axis powers. The difference is winning the peace with an era of good will and peace throughout the world, with every nation, and a reasonable chance of having peace for many generations, against the kind of people who will inevitably make another war and kill off millions more who today are wearing diapers.

"Unless we are able to develop a strong political organization as a defense against the encroachment of big business; unless we are able a build a big political organization of free workers of the trade unions of America, then the future of the American worker is very dark indeed. So the CIO this year has put Political Action as No. 1 on the agenda.

"Too many of our members feel that with passage of a resolution to reelect President Roosevelt, their duty to the political movement is done and there is no need of doing any more. I want to say to those people who feel that way, that if we learned nothing else in the last several years, one thing we did learn — that resolutions of the trade unions do not elect people to public office.

"If people would translate their energy into some kind of action; if they would put energy into going out and ringing door bells of neighbors and talking about why the CIO program is right; going to homes of fellow workers and telling them to come down to vote for the candidates we have introduced, there would be no question about the outcome of New Jersey elections or the United States of America. Workers would then give real expression to political desires.

"In 1942, Albert Hawkes became an office holder who at no time has represented anybody else than the people who put him in the U. S. Senate—the NAM; he voted for the NAM program consistently. In 1943 a member of Standard Oil Co. ran for Governor of New Jersey. We sat home and permitted him to be elected.

"There are two things that have to be done in the CIO program; which every delegate here ought to do:

"The delegates here when they go back to their local unions should make recommendations for $1.00 from each member of the CIO in order to insure political activity.

"Man Power: If we are going to be successful to get the vote in 1944, we have to have responsible people to knock on doors and ring door bells and sell the CIO program to other workers in the neighborhood.

"Delegates should volunteer service to do that work."

Orin Burley Is With Cleve. Reserve Bank

(Continued from first page)

duction to Business Management," published in 1941 and now in its fourth printing.

Graduating from Oklahoma Agricultural and Mechanical College in 1928 with a Bachelor of Science degree, Mr. Burley obtained his Master of Arts degree at Ohio State in 1930 and the degree of Doctor of Philosophy at the same university in 1938.

For two years following his graduation he taught economics and statistics at Alabama Polytechnic Institute, Auburn, Ala. He has been a member of the faculty of the College of Commerce and Administration at Ohio State since 1930.

Mr. Burley is a member of Alpha Lambda Tau, social fraternity, and of three honorary fraternities, Beta Gamma Sigma, Alpha Kappa Psi and Phi Kappa Phi.

Quarterly Comparison

The New York Hanseatic Corp. have prepared an interesting quarterly comparison of New York bank stocks. Copies on this comprehensive comparison may be had from the firm upon request.

Ira Haupt Adds Reccius

H. T. Reccius has become associated with the Investment Service Department of Ira Haupt & Co., 111 Broadway, New York City, members New York Stock Exchange.

Monetary Conference Near End

(Continued from first page)

Bank have been agreed upon, and the final plenary session of the Conference has been set for Saturday, when Secretary Morgenthau, who planned to visit Washington, is scheduled to return. The main stumbling block appears to be the fixing of the individual contributions to the capital of the Bank, the total of which has been set at 10 billions of dollars. The problem of Great Britain's "blocked balances" may require some "gesture" toward a settlement before the Conference finally adjourns.

The agreement on Saturday night to increase the total contributions to the International Monetary Fund from eight billions to $8,800,000,000 places the United States quota at $2,750,000,000, Great Britain's at $1,300,000,000 and Russia's, at $1,200,000,000. Altogether, these three will have more than one-half of the total and a corresponding voting control. The Russian Delegation won out in its demand for an increased quota, but failed to receive approval of a reduction of the portion of its quota that is payable in gold. The gold contribution of each country to the Fund remains at 25% of its quota or 10% of its official gold holdings. Russia all along has been averse to revealing the amount of its "official" gold holdings, and has not published any statement of the amount. The increase of the total amount of the Fund by eight hundred million dollars is not expected to result in any substantial change in the total gold contributions of the members.

It is evident that the Russian delegation, desiring to keep as much of their gold as possible outside of the proposed Fund, won a partial victory when they were given a five-year period of grace from the Conference, during which their new gold production need not affect their relations with the Fund. They will now be free to use their new gold production to buy goods abroad, without drawing on the Fund. There is an impression here that all the delegations at the Conference appear desirous to hold their gold rather than contribute it to the Fund, but this is only partly true. In many cases it is not that they merely want to keep the gold, but rather they want to be the sole arbiters of its use. Actually, they want to have the gold handy for making purchases abroad. Suspicion exists here that Russia's gold stock may be larger than the Russians would like to have us believe it is.

The British finally withdrew their objections to the provision in the operations of the Fund which makes it obligatory on a member country, whose currency shall have become scarce, to buy gold offered it by the Fund in exchange for its own currency. Why the British, whose pound sterling is at the moment anything but scarce, wanted to avoid the obligation of buying gold from the Fund has not been officially explained. Had the language been left as vague as the British wanted it, with no obligation of member countries to buy gold offered by the Fund, the purpose of putting gold into the Fund at all would have been defeated. The only object of having gold in the Fund is to enable the Fund — to the extent of its gold holdings — to acquire scarce currencies. Accordingly, had the British desired interpretation prevailed, the gold-holding feature of the Fund would have been of greatly reduced importance.

The credit for the clarification of this point in the controversy reportedly goes to the delegates from India. The India representatives appear to have very keen minds. However, they do not appear to have been successful in pressing their main objectives. Apart from the failure to get a solution of India's blocked sterling balances, they have been disappointed in the size of India's quota—$400,000,000—and its corresponding low voting power in the Fund. They regard the subordination of India as due primarily to political considerations connected with the British Empire's total vote on the Executive Board of the Fund. Under the plan, as the Indians figure it, India is bound to have at least one member on the Executive Board.

This Executive Board, according to the revised set-up of the Fund plan, will consist of twelve directors, five to represent the nations having the largest quotas, two to be elected jointly by Canada and the Latin American countries, and the remaining five by other member countries of the Fund. Under the voting-control set-up, the United States will have 27,750 of the total of 99,000 votes, against 13,250 for Great Britain and 12,250 for Russia. Thus the voting power of the United States will exceed that of Great Britain and Russia combined.

When the final draft of the International Monetary Fund was under consideration by Commission I of the Conference, the Chairman of the Mexican delegation, Antonio Espinosa de los Monteros, made a statement protesting against the power that the Fund will have in changing the gold parities of member countries' currencies. He pointed out that this question concerned "one of the fundamental sovereign rights of nations," and asserted that "Mexico is strongly opposed to the formula, according to which a uniform change in the gold parities of all currencies can be effected by the decision of the three major parties."

"We are opposed to it," he continued, "firstly, because should it be approved, the smaller nations would thereby surrender a maximum of their monetary sovereignity to the three largest countries. This, in the opinion of the Mexican Delegation, is entirely uncalled for and unjustifiable. What reasons are there to submit small countries to the absolute will of the larger ones? How can we help cooperation by the blind submission of small nations?"

Here is an indication of the "small nation" attitude in matters which may limit their freedom to conduct their own monetary affairs, and their likelihood of "jumping out of the harness,' whenever it suits their convenience.

Another argument for opposition to the parity formula, expressed by Mr. Monteros, is that it is unacceptable to "a community of self-respecting nations." "No one here can seriously believe," he stated, "that small countries would be willing to have the gold parities of their currencies changed at will by the largest nations. Certainly, not a single one of the major powers would be willing to relinquish to a foreign agency the right of fixing the value of its currency. This is, indeed, one of the attributes of sovereignty, which they are prone to guard most jealously."

Mr. Monteros reiterated his previous stand against a "rigid gold standard". "We know," he stated, "that no country would be ready to submit once more to the rigidity of the gold standard. All of us want a great degree of flexibility. But why should we, in order to attain such flexibility, set aside the sovereignty of small countries, while respecting that of the largest ones. We hold this is entirely unnecessary. For in any case the major powers will be able under the proposed agreement to change the gold parities of their own currencies all at once, if they so decide, inasmuch as they have a majority of the aggregate votes. By so doing they would naturally change the international price of gold."

In line with Mexico's attitude on rigidity of the gold standard, some of the Latin American countries, according to an official spokesman of the Conference, want to be assured that they could continue to subsidize their gold mining industries. This is reported to be the explanation of the fact that the Conference is approving a provision that will enable member countries to give their gold-mining industries tax concessions, bonuses, etc. What this amounts to is that, internally, member countries are allowed to pay more for newly-mined gold which, for a gold producing country, means the equivalent to an internal devaluation of its currency, or in other words, a lowering of the currency unit's gold-parity. For the Soviet Union, whose internal affairs are conducted away from the gaze of the world, this subsidy proviso probably means nothing. But one may only speculate regarding what it may mean to a large gold producing country like South Africa, or to lesser gold producers, such as the United States and Canada.

The Conference acted today in the matter concerning the hidden assets of Axis countries and their nationals. This was in the form of a resolution calling upon neutral countries to divulge the character and amounts of assets owned and controlled by enemy nations.

It is the purpose of the resolution to restore such wealth to their rightful owners in the occupied countries.

Full text of the resolution will be found on page 301.

One effect of the creation of the International Monetary Fund will be more work for experts and statisticians in figuring out balances of international payments. The work along these lines by member countries, including even the United States, will have to be increased and improved. The help of American technicians for this work is already being sought. Some 16 Latin American countries will have experts visit Washington next month for guidance. Article V, Section 7 (F) of the Monetary Fund plan requires the member countries to calculate precisely their bilateral exchange transactions, because if a member's holding of another member's currency is found to have increased by reason of transactions with other members, it must use such increased holdings to buy its own currency from the fund, and this requires careful recording of foreign exchange transactions.

It should be borne in mind that the Fund does not effectively eliminate exchange controls during the "transition period," which may extend for a five-year period, but it is required that members must consult the Fund regarding retention of any exchange restrictions and the Fund may make recommendations if it disagrees with further retentions.

The "question of silver" is still before the Conference. The special "Silver Committee" has received at least a half dozen suggestions, according to its official spokesman, but none has been acted on as yet. A facsimile of Senator Elmer Thomas' letter to President Roosevelt, dated June 21, which was endorsed by 25 other members of the "silver bloc," was apparently sent to every delegate here. The letter was unaccompanied by a covering letter and was mailed under the Oklahoma Senator's frank. This led one of the foreign delegates to remark that the letter should be returned to Senator Thomas, with the notation, "misaddressed." This methodical effort to convey to the delegates assembled here the idea that Congress would not approve any monetary plan not making a place for silver is understood for what it is worth. At this writing there appears to be no disposition of the foreign delegates to allow themselves to be high-pressured into "doing something for silver."

However, the agitation for silver recognition is likely to continue. The Mexicans here are now asking for a resolution recommending a supplementary conference to investigate the world status of silver. It is meeting with opposition on the grounds that it would imply that the Conference recognizes the importance of silver, and therefore, is in favor of "doing something for silver." The signs point to an adoption by the Conference of a resolution stating that other problems prevent sufficient attention being given to the silver status, and recommending "further study by the interested nations." This will keep the doors open to further propaganda activities for bimetallism.

The controversy between the American and the British delegates regarding the location of the headquarters of the Monetary Fund and of the Bank is apparently, for the time being, settled. The British wanted London as the Bank's headquarters but finally yielded to the American claim to preference because of the United States' predominant part in the bank's capitalization, though this is said to be merely a temporary arrangement and is subject to approval of Congress. Lord Keynes maintains, in a published statement that "His Majesty's Government may find it necessary at some later date to ask that all such inter-related questions should be considered between governments, rather than in a technical conference.

Commission II of the Conference is busy drawing up the final draft of the plan for the International Bank of Reconstruction and Development.

The problem of fixing the quotas of contribution to the Bank's capital has been a difficult one. Russia, and the other "devastated countries" are claiming a right to a reduction in their quotas on the ground that they will need all their available capital at home for reconstruction purposes. Thus Russia, which demanded a larger quota in the Monetary Fund, reverses its position in the international bank set up, since the loans to be made by the bank to the member countries are not to be apportioned in any way to the individual contributions made to the bank's capital.

The Polish delegation has taken the same position as the Russians. They have requested that the advances by the bank should be made "with due regard to the extreme urgency of immediate postwar reconstruction of the war-torn areas." In a statement supporting this proposal, the Polish representative on Commission II, spoke as follows:

"We fully appreciate the necessity of creating an International Institution for the purpose of the development of all countries and of expansion of the productive capacities and for raising the standard of living.

"We are well aware of this fact because our future, too, depends on the help we receive in expanding the productive capacities of our country. But being fully conscious of the wounds, which already have been and which still are being inflicted daily upon the economy of the countries whose territories now serve as battlefields, and which are being systematically looted by the enemy, of not only their stocks but also of their means of production, we must bear in mind the immediate effects of the war and the appalling conditions caused by warfare and occupation. The countries which suffered most for the common cause of the United Nations, have a right to demand that help be extended to them, first of all so that their wounds may be healed and a possibility be given to them to have an even start for future development. We share the opinion that the development of each country is of interest to all nations. However, I fear that the countries devastated by war cannot postpone their reconstruction until productive capacities, developed with the help of the Bank, will assist them, and, therefore, it is imperative to emphasize the priority for reconstruction.

"We wish that from Bretton Woods should emanate a message to all the occupied countries of assurance of solidarity of all the United Nations, as well as a message of hope that the heavy wounds inflicted upon the countries through war and occupation, will be speedily healed by a collective effort.

"I believe that, should this matter be left without any clear statement regarding priority for reconstruction, the aim of this message would not be achieved."

As the Conference draws to a close, some considerations and prognostications are being made regarding Congressional reaction to the proposed plans. It is unlikely that Congress will act on either the Fund or the Bank before election, and therefore it is up to the new Congress to decide what policy will be followed. My own impression is that if Congress should not accept the Bretton Woods recommendations, the other countries would drop the Fund idea, with Britain taking the lead in developing her "sterling bloc," with emphasis on her European leadership. Perhaps such "bloc" would operate along the lines of the Keynes' plan, of an international clearing organization without membership subscriptions to a monetary fund.

Congressman Brent Spence, Chairman of the House Banking Committee, a United States delegate, told your correspondent last night: "I firmly believe, even as a demonstration of international goodwill, the Conference has justified its existence. The good feeling and the evident harmony and cooperation among the 44 delegations has been splendid. I think Congress will approve the work of this Conference when it considers it," and he added: "Among the American delegates there has been complete harmony."

Another United States delegate, Edward E. Brown, President of the First National Bank of Chicago, said: "I think the Fund, as finally hammered out, is workable. In spite of all the seeming confusion and cross arguments of the Conference, the Fund has come out much better than many thought possible and much improved from the April 21 statement of principles. While the work of the Fund is practically finished, that of the Bank still remains to be completed. From the progress made so far, I am confident that before the Conference ends it will produce a Bank that will be both workable and useful in reconstructing shattered national economies and advancing the progress of countries not yet fully developed. The Conference has justified itself."

Pension Trust Plan

Massachusetts Mutual Life Insurance Co., Springfield, Mass., have prepared an attractive, easy-to-read booklet entitled "The Pension Trust Plan," answering questions on the pension trust. Copies of this booklet may be had upon request from Massachusetts Mutual Life Insurance Co.

Reorganizat'n Potentialities

McLaughlin, Baird & Reuss, One Wall St., New York City, members of the New York Stock Exchange, have prepared an interesting circular discussing the reorganization potentialities for selected securities of the Missouri Pacific System. Copies of this circular may be had upon request from McLaughlin, Baird & Reuss.

Silver And The International Monetary Fund

By ING. MANUEL A. HERNANDEZ
Editor, El Economista

Mexican Financial Journalist Proposes That Silver, To The Extent Of 25% Be Made A Part Of The International Monetary Fund—Holds There Is Not Sufficient Gold For Monetary Stabilization

The future peace of the world must rest on the firm foundation of an economy characterized by mutual solidarity, manifest reciprocity and international understanding, an economy which in turn will rest on the cooperation which is now being sought for the purpose of unifying financial and economic operations in all the United and Associated Nations, which are to enjoy better living conditions through general wealth.

The entire movement for financial and economic reform will be guided by the plan for monetary cooperation which was published by "El Economista" in its issue No. 127 of June 1, 1944. The aims and the monetary policy under consideration, embodied in six main points, show the trends, the motives and the objectives the achievement of which is sought by means of the establishment of the International Monetary Fund, which will fluctuate between eight and ten billion dollars, depending upon whether only the United and Associated Nations or the whole world will contribute.

The main points involved are: (a) creation of a permanent institution for the solution of international monetary problems; (b) achievement of the most important objective of a good economic policy, which is to maintain a high level of employment and of real income by means of the expansion and development of international trade; (c) facilitation of an adjustment with respect to countries the balances of payment of which may have been affected "without their having to resort to measures likely to destroy national or international prosperity"; (d) stabilization of exchanges, a very important item in preventing depreciation by operations of international competition; (e) assistance to the service of payments on a multilateral basis, with the elimination of restrictions which obstruct the growth of international trade; and (f) reduction of the periods and amounts of unbalance in international payments.

As can be seen, this is a broad and intensive program, for which the unlimited cooperation of the nations participating in its development is sought because, in order that the contemplated permanent institution charged with the management of the international monetary fund may operate without hindrance in its bookkeeping, liquidation, credit, consultation and control, there must be complete harmony in its functions, maintained by the participating countries which are, at the same time, contributors in the proportion determined by said plan and generally specified as follows: "The obligatory gold subscription of a member country shall be fixed at 25% of its subscription (quota) or at 10% of its gold assets and foreign exchange which can be converted to gold, whichever is the smaller."

The proposed plan is apparently based exclusively on gold, although the door is left open for some flexibility, for the inclusion of other types of contributions, with no mention of silver. This is surprising to those who are cognizant of the possibilities and the power of silver to support gold or to provide a satisfactory backing, permitting an economical use of gold in international transactions.

The first article of the Silver Purchase Act of June 19, 1934, states: "We hereby declare to be the policy of the United States to increase the proportion of silver with respect to gold in the monetary stocks of this country, with the final object of having silver represent one-fourth of the monetary value of the said stocks."

Why not therefore elect to welcome silver, other conditions being equal, as collateral support for gold in the International Monetary Fund, in a proportion similar to that of the monetary stocks of the United States, and to have in the form of silver 25% of the $8,000,000,000 which the United and Associated Nations will contribute?

The countries which, with Mexico, are the chief producers of silver, hope that they will be given consideration, as regards their silver interests, when the final procedure of the operation of the stabilization plan is determined. Otherwise the plan might bring adverse results by affecting their export markets and injuring their international trade and domestic economy.

If one examines carefully and impartially the world production of gold and silver during the long period of time covered by statistics accepted as accurate, it can be seen that, in comparison, the production of gold has increased more than that of silver.

Over a period of 449 years, that that is from 1492 to 1941, the world production of these precious metals has been 1,416,008,138 fine ounces for gold and 17,515,963,164 for silver, the proportion being therefore 12.37 ounces of silver to each ounce of gold. However, the proportion has been 6½ ounces of silver to one ounce of gold during recent years. For example, while gold production increased to 40,332,204 ounces in 1941, silver production fell to 262,854,226 ounces.

It is recognized that, for the purposes of monetary stabilization, there is not sufficient gold in the world; that is why there must be some flexibility in the stabilization plan. It would certainly be easier to carry out those purposes if silver were included to the extent of at least 25% of the monetary value of the Fund.

The silver of Mexico, together with that of all the other silver-producing countries, can serve the purposes of monetary stabilization. Our country alone has been supplying to the United States between 80% to 90% of its silver, which is estimated at between 70,000,000 and 80,000,000 ounces per year and amounting to 86,000,000 ounces in 1943. Furthermore, it must not be forgotten that the plan for monetary cooperation will be formulated with a view to its use during the post-war period; that is to say, that its application relates to a period of peace and not to the period of war. Therefore, consideration must be given to the reasons and arguments in favor of silver as a supporting metal for international monetary stabilization.

If silver is deprived of a chance to take its place alongside gold as a most effective aid in the task of stabilization, such a course would probably place an obstacle to the achievement of the aims pursued at the Bretton Woods Conference; that is, maintaining a high level of employment and effecting a real improvement in the economic systems of all nations, because the silver-producing countries, including Mexico, will be unable to use their production and possession of silver as an effective contribution in support of the services of the Fund.

To ensure the existence and the development of a prosperous economy, a strong and improved currency is indispensable, and such a currency can only be obtained on the basis of a timely and full acceptance of silver as a metal supporting gold. The superiority of metallic currency over inconvertible fiduciary currency has been demonstrated throughout all the periods of history. There is not enough gold to serve as hard money, but its use can be supplemented with silver. Thus silver will become as good as gold for monetary uses if its price is maintained and increased, as was done with gold.

Available On Request

Schenley Distillers Corporation have prepared an attractive booklet containing the first articles in the series they have been running in the "Financial Chronicle." Copies of this booklet may be had upon request by writing to Mark Merit, in care of Schenley Distillers Corporation, 350 Fifth Avenue, New York 1, N. Y.

Germany's Strength

(Continued from page 283)

current year stood at 111 (taking August 1939 as 100). In 1942 the index stood at 108, and in August 1941 at 106. It is of interest that the cost of living index in the United States, which also stood at 106 in 1941, advanced to 117 in 1942 and to 123 in 1943. The index of wholesale prices showed equal stability: Taking August 1939 as 100, it stood at 105 in 1941, rose to 108 in 1942, and to 109 in 1943. During the same period the wholesale price index in the United States advanced from 120 to 132 in 1942, and to 137 in 1943.

Paper money in circulation increased from RM.11,278,000,000 in August 1939 to RM.17,432,000,000 prior to Germany's entry into war with the United States, and to RM.30,922,000,000 in October 1943. During the same period paper money in circulation in the United States showed almost an identical percentage increase as in Germany, advancing from $7,171,000,000 in August 1939 to $10,364,000,000 in 1941 and to $19,019,000,000 in October 1943. During the same period the increase in paper money in France was much more pronounced, rising from Fcs.142,349,000,000 in August 1939 to Fcs. 255,684,000,000 in October 1942, and to Fcs.475,868,000,000 last October.

The official discount rate in Germany remained unchanged during the past two years at 3½% compared with 2% in Great Britain, and 1¾% in France. Although subject to very rigorous restrictions and regulations, the German mark continues to be dealt in officially on the Swiss money markets, recent quotations of about 40 cents showing practically no change compared with previous years. The French franc was quoted at the time at only about ¾ of a cent per franc.

Trading in securities on the German stock exchanges was very active last year, and prices were generally higher. The demand for equities was particularly pronounced, and owing to a diminished supply, prices advanced rather sharply. In order to arrest the unduly upward trend, the government introduced ceiling prices for securities and reduced trading facilities and the number of hours. A further regulation was the compulsory reporting of ownership of stocks in the amount of RM.50,000 or more. Since the majority of German shares have a par value of RM.1,000, the ruling means that any purchase of 50 shares or more must be reported to government authorities. Volume was particularly marked in shares of shipping and colonial companies.

Some "experts" on German economic affairs contended that the advance in stock prices foreshadowed the imminence of a collapse in the German exchange situation. Here again, the wish may be father to the thought. The rise in stock prices was accompanied by a substantial demand for and an increase in the price of bonds, with some of the obligations of industrial concerns reaching new highs.

If Germany's economic status were in reality as desperate as is believed by some "experts" or as is desired by most of us, how can one explain the following:

Last year, Germany and German-controlled European countries exported to Sweden merchandise valued at Kr.1,294,235,000, equivalent, at prevailing rates of exchange, to $308,675,000. In 1942 such sales aggregated Kr.1,250,077,000, or $298,143,000. A country which is in a position to sell within two years substantially in excess of $600 million, should not be regarded as in a state or on the verge of collapse. Furthermore, it is dangerous in the extreme to so regard the enemy. Some of the more important products sold to Sweden by Germany last year are detailed hereunder:

Item—	Amount Sold (in tons)	*Value (in Kroner)
Coal	3,581,000	------
Coke	1,240,000	------
Rubber (buna)	1,060	------
Soda	27,825	
Sodium Sulphate	45,120	116,000,000
Salt	211,629	
Other chemicals	------	------
Machinery	------	118,000,000
Stable fiber	4,575	
Rayon	1,312	90,000,000

*The Kroner is worth about 23.85 cents.

To be sure, German sales to Sweden are offset to some degree by imports from the Kingdom. However, a country at war, cut off from the principal sources of vital raw material, which can manage to export hundreds of millions of dollars worth of products is still a most formidable foe.

Conditions in the Reich should be appraised not on the basis of sentiment or desires, but on the basis of fact, and even if unpleasant to all liberty- and democracy-loving nations, conclusions should be drawn from facts rather than fiction.

One must not lose sight of the fact that the German economy is strictly controlled and regimented, and no appreciable changes are permitted within the German economic structure. This is possible so long as contact with the outside world is relatively restricted. It must be borne in mind that neither from the military nor from the economic point of view, the Allied Nations should permit themselves to consider Germany on the verge of collapse. The military and economic resources of the country are still strong, and there is no excuse for any slowing down in our war efforts.

Mallory Interesting

P. R. Mallory & Co., Inc., offers an interesting situation, according to an analysis prepared by Steiner, Rouse & Co., 25 Broad St., New York City, members of the New York Stock Exchange. Copies of this analysis may be had from Steiner, Rouse & Co. upon request.

Wm. H. Burr In Syracuse

SYRACUSE, N. Y.—William H. Burr is engaging in a securities business from offices at 428 South Clinton St.

Half-Year Review And Forecast

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over the war's progress, together with the constructive oratory of Dewey, Bricker and other Republicans, is being reflected in the stock market.

Wages

In spite of controls, wages have risen a little more during the past six months. Union leaders have worked hard for pay increases and will continue to do so in order to hold their own jobs. However, the heyday of the industrial worker is rapidly passing. Production cutbacks are resulting in the laying off of thousands of workers. This has gone relatively unnoticed as such layoffs have occurred in widely separated geographical areas.

Too many wage workers have not saved a fair proportion of their wartime earnings. They are bound later to feel the economic effects thereof. Many of the latter will lose their jobs between now and the end of the war. They will find it hard to get new ones. I anticipate that the average demobilized service man will not only find his old job waiting but if he wishes he will be financially able to enter business on his own account. When demobilization comes, soldiers and sailors may be in better financial shape than are the wage workers who remained home.

Retail Trade

Retail trade has steadily gone ahead during the first six months of the year. Wartime wages have been the deciding factor in spite of the scarcity of goods, price controls and luxury taxes. Merchants have done a wonderful job in keeping their shelves stocked to the extent that they have. More goods will become available as we enter the third quarter, but both the volume of retail business and the value of goods sold may decline to somewhat lower levels. I am not sure about this.

With retail trade at an all-time peak, but with a general drop expected in employment; with higher costs and lower profit margins and with a generally more cautious spending tendency, a reaction in the retail field is possible. Despite this, I continue bullish on well-selected merchandising stocks. I particularly like the chain stores which can easily adapt themselves to almost all changes.

Commodity Prices

During the first six months of the year commodity prices held up. I expect them to hold around current levels for the time being. Buyers should continue to keep moderately protected. Price controls have helped all. Food requirements will continue heavy, but we shall have the largest crops in our history. Hence, food supplies will remain ample; but will not be excessive.

Both hard and soft goods will continue scarce until we can revert to production for civilian requirements. Retail prices after the war may average 15% or more above pre-war prices. Certainly, when new automobiles are available, they will be priced higher than pre-war levels. Building costs will also be up sharply.

Conclusion

We are now definitely in the transition period from war to peace. Hitler will probably collapse sometime between Nov. 7, 1944, and March 7, 1945. The coming six months will bring more adjustments in business and in living than we have witnessed for sometime. Yet these headaches are the necessary prelude to peacetime activities. Despite them, I am sure we shall all breathe more easily in the near-term future than we have in the recent past.

"Mark-Ups"

(Continued from page 284)

part of any reputable dealer against the provisions of the Securities & Exchange Act or of the Rules of Fair Practice of the National Association of Securities Dealers which effectively prohibit deceptive and manipulative practices and the taking of unconscionable profits. These rules possess teeth, as has been repeatedly and effectively demonstrated.

As a matter of practice, by far the large majority of dealers keep well within the general limitations of what is "fair and equitable," not because it is the law, but because their continuance in business depends upon the observance of proper principles of trade. No tie other than satisfaction binds the customer to the dealer. If the dealer's performance is unsatisfactory in any way, he loses the customer. If he violates the law, he is subject to criminal prosecution.

Thus the question of mark-ups, among conscientious dealers, is largely self-regulatory. Most firms adhere to carefully worked-out profit schedules based on known factors of cost and overhead.

It must be admitted, however, that, in the securities business as in all other fields of endeavor, there is a fringe of knaves and rascals. Dishonest practices are far less common today than formerly, largely to the credit of the SEC, the several state regulatory bodies and self-regulation within the industry. Crooks are finding it increasingly difficult to escape detection and prompt conviction.

It is quite proper and to a certain inescapable extent necessary that vigilance be maintained, although, upon occasion, the methods employed have appeared needlessly capricious and indirect. Two years ago, the SEC drafted a bizarre rule, under the title of X-15C1-10, which provided that customers' confirmations carry the inside quotation of the specified security as well, of course, as the price at which the customer had bought or sold. The proposed rule was submitted to the industry for comment and evoked an immediate, voluminous and caustic response. The rule was almost universally alleged to be a slick and lefthanded, but nevertheless baldfaced, bid for full disclosure. There was and is no law which compels Macy's to tell Gimbel's. Dealers resented what they considered to be an affront to their integrity. The rule was pigeon-holed.

The 5% Philosophy

At the present time, a full-furied tempest is raging over the 5% profit limitation "philosophy" of the Board of Governors of the National Association of Securities Dealers. In a letter to its members, dated Oct. 25, 1943, and supplemented by a "directive" dated Nov. 9, 1943, the Board "interpreted" its own Fair Practice rule to include this limitation. But the By-Laws of the N. A. S. D. provide that all rules, or amendments thereto, be submitted to the membership for vote. By "interpreting" an existing rule, the Board of Governors is accused of by-passing this provision. A substantial portion of the N. A. S. D. membership is something more than indignant not only at the manner in which the rule, or interpretation, was imposed, but equally so in respect to the attempt to establish any rigid profit limitation. The SEC has been petitioned to determine whether the directive is a non-mandatory interpretation or an enforceable rule, and, in the latter event, to require its submission to a membership vote.

The above two instances are cited as examples of the type of controversial technicalities which the industry could well do without.

Listed and Unlisted Profits

Let us look briefly at the reasons for the substantial difference in stock exchange commission rates and the larger percentage mark-ups to which over-the-counter dealers feel they are entitled.

The execution of a stock exchange order is a simple matter. Basic requirements consist of membership on the exchange, the services of an order clerk and a means of communication to the exchange floor. The same ready-made auction market is equally available to all. The operation is mechanical throughout. Elaborations of service to include quotation boards, stock and bond tickers, news tickers, the effusions of market commentators, etc., ad infinitum, are accessories designed to woo customers and to stimulate transactions but are presumed to confer no special or discriminatory privileges and certainly have no bearing whatever on stock exchange prices. Under these circumstances, it is proper that stock exchange commissions be relatively moderate. Profit derives largely from volume, although most member firms possess additional sources of revenue. Among these may be mentioned interest on debit balances, odd-lot commissions, service charges on small accounts, underwritings, participations in secondary and special offerings and operations for the firm account.

Contrast this with the cost of doing business over-the-counter. First, the dealer must select his merchandise. This usually involves study and research that may include compilation of reports by competent legal, accounting, engineering and statistical specialists. It frequently involves the taking of a substantial commitment and the risk of capital. Information and data must be carefully reduced to assimilable form. Salesmen must be informed of all pertinent facts and be checked in the matter of presentation. The responsibility for misstatements, exaggerations or the omission of material facts is borne by the dealer. All of the foregoing represents expense incurred before the actual offering of the security or a solicitation of sale. Ordinary selling expense follows. When it is considered that most salesmen operate on a 50-50 split of gross profits, it will be seen that the limitation to a 5% mark-up over cost might well, in many instances, represent a net loss to the firm.

The cost factors of research and merchandising, as well as the risks involved in placing securities in inventory, vary widely in different instances. In some cases they are extraordinarily high, in others, low. Many well seasoned issues in respect to which complete data is available, practically sell themselves. Others, more obscure but of comparable merit, require a full measure of negotiation. Every over-the-counter transaction is a case unto itself.

Regardless of the varying cost factors, the over-the-counter distributor must maintain complete facilities to service the extremely varied requirements of his customers. Most of such service is provided gratuitously. It includes quotations, appraisals, individual reports, recommendations, comparative analyses, tax studies, stock and bond transfers, dividend and maturity collections, disposition of rights and warrants, subscriptions and exchanges and the safe-keeping of securities. It is doubtful if any other merchant in the world offers so much on the altar of good will.

A further service frequently performed by the dealer, and worthy of note, involves his continuing interest in the securities he sells. Conditions in an industry change frequently, many times resulting in abrupt changes in security values. This is particularly true in instances of default and subsequent reorganization. In all such matters, the dealer maintains a continuing responsibility. There are many instances when, in the interest of his customer, the dealer sits in on reorganization proceedings and takes a prominent part in determining the distributions provided for under a plan of recapitalization. Likewise, when refunding operations are impending, the dealer must protect the rights and privileges of his customers to their best advantage.

Still another circumstance where the dealer serves his customers, in this case for no profit at all, is the execution of orders on a national exchange. Any dealer who holds a customer's account by virtue of the confidence and satisfaction reposed in his services, will, of course, execute the customer's listed transactions without charge. This is pure largesse to the member house receiving the business. The non-member dealer pays full commission to the exchange member and charges the same amount to his customer. The expense of handling the transaction represents a net loss.

In further considering the case for a flexible schedule of markups on over-the-counter transactions, based on individual circumstances as they arise, attention is drawn to the general practice in respect to riskless and agency transactions.

The former term is applied in the instance of a transaction in a security in which the dealer, at the time, maintains no position. He buys or sells at the order of the customer, assuming no risk other than that of advancing his funds in anticipation of settlement. In such cases, his profit allowance is likely to be smaller than in a transaction where considerable risk is involved. However, determination of a fair charge is, and properly should be, based upon the expense involved in completing the transaction. To locate the best offering or the most advantageous bid for an inactive security frequently requires a comprehensive survey of widely separated markets, involving extensive use of the long-distance telephone, teletype or wire. These, as well as the time and effort expended, are definite factors of cost.

Most comparisons that have been made between stock exchange commissions and over-the-counter profits have ignored all instances of agency transactions performed by the over-the-counter dealer. As a matter of record, they constitute a substantial portion of every dealer's business. No dealer will refuse an order placed with him on an agency basis, nor, having accepted it, will he violate its terms and implications. In view of the dealer's higher overhead and the fact that he must divide the commission, however small, with his salesman, the net return is small, often negligible.

News And Views As Monetary Conference Draws To A Close

(Continued from page 285)

at the very last moment, after the Secretary reportedly had held a half-hour phone conversation with Moscow and had given every indication of readiness to go ahead without Russia. Here at Bretton Woods it developed that the Russians maintained a different understanding than our own as to what had been certain important points of agreement, and for several days the commonest remark to be heard in the hotel was: "Has there been any word from Moscow yet?" And no one seemed to know whether Moscow had replied, or whether the Russian delegation was just doing a bit of bargaining. There is no doubt that the foreign delegations here know the value of having something to yield in the international poker games that are euphoniously called international conferences.

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The Union of Soviet Socialist Republics has pursued a thoroughly realistic policy here. Its only interest has been to strengthen the Soviet Union by means of foreign trade. The U. S. S. R., like China, is not concerned with sentiments of world welfare and the like. Both countries are simply interested in strengthening their own power and prestige.

There is a good deal of objection here to using the word "Bank" in the title of the institution which will make the long-term loans.

* * *

The Indians here have been outspokenly hostile to the British in committee meetings. They particularly resent the British and American stand, which was supported also by other countries, against the barring of consideration of blocked sterling balances. One may reason why this is the case. The blocked sterling owned by India cannot be included in India's monetary reserves, and its exclusion, therefore, reduces India's quota and India's voice in the Fund. Had India persisted in her stand, the French would have asked for the same privilege for French balances blocked in Germany.

* * *

Mexico has supported the United States again and again in committee meetings. Mexico's price for this was the Chairmanship of Commission III, the obtaining of two seats for Latin America on the 12-man Executive Committee of the Fund and the obtaining of three mentions of silver at the conference. The mention of silver which will be made by this Conference is found in the waiver in a clause relating to the Fund. This is the clause which sets a limit of 25% to the increase in the Fund holdings of any member's currency during a period of 12 months. This clause may be waived, however, when the Fund may ask for collateral to secure the increased holdings. It is planned that the collateral may include silver. The waiver clause is objectionable to some delegates because they feel that it provides a temptation for member countries to use up their power of acquiring foreign currency in a given 12 months' period whether they need the currency or not.

* * *

Commenting on the Fund plan, Congressman Charles S. Dewey, Illinois Republican, cautions that "among a number of angles of the so-called monetary Fund which deserve more careful scrutiny from the standpoint of the American economy is the lack of American control over foreign expenditure of the dollars derived through the Fund. The total quotas other than our own equal over $5,000,000,000, one-quarter of which may be obtained in dollars in any one year, or $1,260,000,000 annually for four years.

"Assuming that the foreign member countries enter the American market to that extent, the additional demand for goods would come on top of our own pent-up demand, and create pressure for an increase in prices. This would necessitate maintaining price control and rationing long after The American public hopes such measures may be dispensed with."

* * *

The granting of two seats to Latin America on the Fund's Executive Committee is considered by Europeans as a very bad precedent. They ask "Why not regional recognition for Europe, too?" It is pointed out that the 20 Latin American countries may not be united forever. There may be different "blocks" in the years to come.

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One of the principal criticisms of the Fund plan is that it attempts to foresee everything that may happen in the next 25 years. That is humanly impossible. What the Fund is trying to do, some of the delegates feel, is as complicated and as difficult as the economic controls which the Nazis introduced into Germany. In other words, according to this viewpoint, the balance is too perfect.

* * *

Some Latins here seem interested in Argentina's novel system of auctioning lots of foreign exchange allotted to specific classes of transactions.

Some who are familiar with Chinese monetary conditions regard Yuan's value as between 500 and 1,500 per American dollar.

Original White plan called for "Stabilization" Fund. The United Nations' plan omits word "stabilization," and is in deference to British gold-phobia.

Although China protested in 1935 Roosevelt Administration's Silver Purchase Act, Chinese here who had previously worked to get us to buy silver now express "no regrets," since China unloaded millions of unnecessary silver on us for American funds.

* * *

Mexicans and Cubans are rivals for places on the Fund's Executive Committee. Mexicans, as aggressive leaders among Latin Americans, will go home happy, having helped win for Latins two guaranteed places on 12-member Executive Committee, as well as two silver gestures. Mexicans realized from beginning their silver demands could not enlist interest of apathetic world, including Chinese and Indians. Contrary to general impression, it seems likely that American delegation's expected acquiescence in the two silver provisos was little motivated by any fear of American silver block, but merely a matter of usual international conference courtesy to another nation on a matter of minor importance compared with the conference's objectives. Noteworthy that private American producers contacted Mexican and other authorities pre-conference.

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John Vincent Carter of State Department, who accompanied Wallace in Asia, has been here several days.

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State Department and Treasury have been divided over question of whether Bank for International Settlements should be abolished. Here, Norway opened the question some days ago, but Dutch and British reportedly defended BIS. Now appears Norwegian view will be adopted by Bretton Woods conference.

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As concrete recognition of sacrifices of devastated countries, the Bank plan will ease their required gold subscription to the Bank. This move was endorsed strongly by American delegates.

HERBERT BRATTER.

Monetary Conference Moves To Regain Axis-Controlled Assets

BRETTON WOODS, N. H., July 19.—The following draft resolution was considered by Committee 2 on "enemy assets, looted property, and related matters." The Committee decided to recommend to Commission III its adoption in principle and reference to a drafting committee to make certain technical changes.

"Whereas;

"1. In anticipation of their impending defeat, enemy leaders, enemy nationals, and their associates and collaborators are transferring assets through clandestine channels to and through neutral countries to be concealed and held at their future disposal. Success on the part of such persons in secreting and preserving under their control substantial amounts of assets in and through neutral countries will perpetuate their influence, power, and ability to plan a new future aggrandizement and world domination. The efforts of the United Nations to establish and permanently maintain peaceful international relations after the conclusion of the present war would thereby be jeopardized.

"2. Throughout the past 4 years enemy countries and their nationals have taken the property of occupied countries and their nationals. Enemy methods have ranged from open loot and plunder of currency, gold, securities, and other movable property, to subtle and complex devices, including the establishment of puppet governments in occupied territories, designed to give the cloak of legality to their robbery and to secure for themselves ownership and control of important financial and economic enterprises in the post-war period despite the impending defeat of their armed forces. To ensure their success and to frustrate the efforts of post-liberation governments to undo their work, they have, through sales and other methods of transfer, run the chain of their ownership and control through foreign countries, both occupied and neutral, thus making the problem of disclosure and disentanglement one of international character.

"3. Throughout the past four years, as the enemy has occupied additional countries, the residents, under duress, have been forced to turn over to him their assets. The United Nations have declared their intention to do their utmost to defeat the methods of dispossession practiced by the enemy and have reserved their rights to declare invalid any transfers of property belonging to persons within occupied territory. They have adopted special controls and other measures not only to protect and safeguard property, within their respective jurisdictions, owned by occupied countries and their nationals, but also to prevent looted property from being disposed of in United Nations markets or acquired by persons subject to their jurisdiction.

"Therefore;

"It is resolved that, in recognition of these considerations, the United Nations Monetary and Financial Conference;

"1. Calls upon the neutral countries to take immediate measures to prevent any disposition or transfer within territories subject to their jurisdiction of any

(a) Assets belonging to the Government or any individuals or institutions within those United Nations occupied by the enemy, and

(b) Looted gold, currency, art objects, securities, other evidences of ownership in financial or business enterprises, and of other assets looted by the enemy;

"As well as to uncover, segregate and hold at the disposition of the post-liberation authorities in the appropriate country any such assets within territory subject to their jurisdiction.

"2. Calls upon the neutral countries to take immediate measures to prevent the concealment by fraudulent means or otherwise within countries subject to their jurisdiction of any

(a) Assets belonging to, or alleged to belong to, the Government or any individuals or institutions within countries which we are at war;

(b) Assets belonging to, or alleged to belong to, enemy leaders, their associates and collaborators, and to facilitate their ultimate delivery to the post-armistice authorities.

"3. Recommends the establishment by the United Nations of appropriate machinery to assist the nations of the world in

(a) Uncovering, segregating, controlling, and making appropriate disposition of assets to which this declaration is applicable:

(b) Locating and tracing ownership and control of looted property and taking appropriate measures to make restoration to its lawful owners."

Situations Interesting In Conn. Companies

Chas. W. Scranton & Co., 209 Church Street, New Haven, Conn., members of the New York Stock Exchange, have prepared memoranda on Acme Wire Co.; Veeder-Root, Inc.; Scovill Mfg. Co.; Arrow-Hart & Hegeman Electric Co.; Landers, Frary & Clark, and United Illuminating Co., Connecticut situations which appear attractive at current levels. Copies of these memoranda may be had from Chas. W. Scranton & Co. upon request.

Louisiana Municipal Assoc. Endorses Boren Bill

The Boren Bill, introduced by Congressman Lyle H. Boren of Oklahoma on Jan. 23, 1943, and which aims to specifically exempt municipal securities from any control by the SEC, has recently been endorsed by the Executive Committee of the Louisiana Municipal Association. The membership of the Association comprises 75% of all incorporated cities, towns and villages in Louisiana. The Boren Bill, viewed as a first move toward preventing the exercise of regulatory functions by the SEC beyond the intent of Congress, has already been endorsed by the Municipal Securities Committee of the Investment Bankers Association of America, and by other organizations of security dealers and municipalities.

The resolutions of the Louisiana Municipal Association, as certified by J. McFord, its President, follow:

Be It Resolved by the Louisiana Municipal Association, whose membership includes 75% of all incorporated cities, towns and villages in the State, that the Resolution introduced in the House of Representatives of the Legislature of the State of Louisiana by Representative Ambrose M. Smith, and adopted, also concurred in by the Senate of the Legislature of the State of Louisiana, endorsing House Resolution No. 1502 by Congressman L. H. Boren of Oklahoma, be and the same is hereby approved and endorsed by this Association.

Be It Further Resolved that this Association send official copies of this action to the Clerk of the House of Representatives, to each Senator and Representative of the State of Louisiana in Congress, to the Speaker of the House of Representatives and to the President of the Senate of the Congress of the United States.

Mexico Wants International Bank to Give as Much Aid For "Development" As For "Reconstruction"

A proposal was made by the Mexican Delegation to the International Monetary Conference that the "Bank for Reconstruction and Development" provide, on an equal footing, for development of all member nations, as well as for reconstruction of devastated areas. This would permit the bank to extend loans to Latin American and other nations that have not undergone invasion or suffered material destruction during the war.

In support of the proposition, the Chairman of the Mexican delegation submitted the following statement, on July 11, at a meeting of Commission II, which has under consideration the form and functions of the international bank:

"On behalf of the Mexican delegation, may I be allowed to make a brief explanatory statement on the alternative provision submitted by us which is now before you.

"It may appear to some of you that our proposal would rather hamper the Bank's reconstruction operations during the first few years. But I wish to assure you, gentlemen, that it is very far from our purpose to place obstacles in the way of reconstruction. We are fully aware of the damage that the war has done to the productive capacity of our Allies in Europe and in Asia, and we realize also that, once liberated, the territories now occupied by our enemies will require a great deal of capital in order to be set afoot again. We are no less aware of the direct sacrifices undergone by all those nations. Therefore it is not with a spirit of denying them a substantial measure of the Bank's resources that we have introduced this—to our mind—important amendment.

"Our reasons for asking you to provide that 'reconstruction' and 'development' be put on the same footing are threefold:

"First, we believe that the agreement we are to reach here is to be embodied in a permanent, and not in a provisional, international instrument. Therefore it seems to us inappropriate that the document should not contain an equal emphasis on the two great purposes of the Bank, namely, to facilitate reconstruction *and* development. In the very short run, perhaps reconstruction will be more urgent for the world as a whole, but in the long run, Mr. Chairman—before we are all *too* dead, if I may say so—development must prevail if we are to sustain and increase real income everywhere. Without denying the initial importance of reconstruction, we ask you not to relegate or postpone development.

"Secondly, we believe that we and other nations not actually in need of funds for reconstruction, can greatly assist in the reconstruction of those who do require it, provided our economies be developed more fully at the same time as the rehabilitation of the war-torn nations takes place. We have resources which are still untapped. A large part of our population has not yet attained an adequate standard of living. And yet we have not hesitated to throw in our lot with our Allies, disregarding temporarily our own wide domestic problems. If we tackle these—and for that we require sums of capital we do not dispose of at home—we will undoubtedly benefit not only ourselves but the world as a whole, and particularly the industrial nations, in that we shall provide better markets for them and better customers. We submit, therefore, that capital for development purposes in our countries is as important for the world as is capital for reconstruction purposes.

"Third, and last—and we again wish to emphasize that it is with no unfriendly spirit that we make this reference—we should like to call your attention to an important provision of the draft (Article II, Section 5-A), which states that payments in gold shall be graduated according to a schedule that shall take into account the adequacy of the gold and free foreign exchange holdings of each member country. We believe that, having in mind the position in which the war-devastated countries are, this is only fair; and we have no intention whatever of grudging one ounce of our contribution in gold. But since we happen to have unprecedented holdings of gold and foreign exchange—we speak for the great majority of Latin American nations—and since we feel that we have before us an opportunity of devoting part of our holdings to the import of capital goods for our development, it is our considered opinion that in contributing part of them, ungrudgingly, to the Bank, for the benefit of all the nations constituting it, we should desire at least the assurance that our requests for capital for development purposes shall, in the words of our amendment, be given equal consideration as is given to reconstruction projects, and, further, the assurance that the resources and facilities of the Bank shall always be made available to the same extent for either kind of project.

"We do wish to make it perfectly clear, however, Mr. Chairman, that we do not desire to impose on the Bank a rigid 50-50 rule. We believe some discretion on the Bank's part should be provided for. Furthermore, what we ask is only that the Bank's resources and facilities be *made available*. Thus, in the event that countries requesting loans for development purposes do not use up the resources and facilities made available to them, countries requiring loans for reconstruction projects could have a claim on the unused funds.

"In conclusion, may we emphasize that we do not contemplate a rigid interpretation of the phrase 'to the same extent,' but that we do think it is a principle which *should* be embodied in the instrument we are endeavoring to draw up. We are perfectly willing to accept a better wording of our proposed amendment, so long as the same principle is preserved in it."

"What's All The Shooting About?"

(Continued from page 283)

representatives of NASD and SEC prior to the birth of that "philosophy." Who dealt with whom and what was said or done on each occasion? Has this challenge been accepted? Have NASD members received an explanation? No indeed. Will this phase of the activities of the NASD Board ever be publicized? We would be surprised if it were. Why is it surpressed? In our opinion because a complete disclosure would make it painfully clear that the 5% yardstick is the product of a liaison understanding between certain NASD officials and the SEC.

As a public duty we persist in pursuit of this line of information. Permitted to proceed unchallenged, such activities in camera, now visited upon securities dealers, may develop into a system of "regulation" affecting all industry and mark the ultimate extinction of that freedom in commerce which we know as the American Way.

The explanation that the Board of Governors "has chosen not to answer attacks by people **entirely outside** the Association" seems to us utterly senseless. The NASD was formed supposedly in the public interest for the protection of the public. Its excuses, or justifications, should be tendered to that public which it was organized to protect.

We continue to quote from the "NASD News":

"When study of the questionnaires was completed, the Board had before it for the first time unassailable facts as to the practice of members in principal sales to customers. It promptly presented these to the membership and offered them as the guides members had asked for. Thus, the views of the Board presented in the letter of October 25 were not arrived at either spontaneously or without facts to justify them. They were based solely on facts."

Was a complete breakdown of these so-called "facts" ever submitted to the members of NASD so that they could judge on the basis of the so-called facts? Since when may the Board create regulatory philosophies based upon its own inferences? In submitting the questionnaires, did the Board make clear to the members for what purposes they were intended? Were the members notified that behind the inquisition lay the desire to establish by Board fiat, a new trade practice on mark-ups?

Again quoting:

"One of the most vicious and wholly unjustified ideas fostered in the attack on NASD is that members who criticized the Association would suffer reprisals if their identities became known. This is hitting below the belt with a vengeance. Three years ago 700 members disagreed with the majority vote on minimum capital requirements for members of the Association proposed by the Board at the time. So far as is known, every one of these 700 firms, each of which signed its ballot, is still in business. We know of no untoward visitations of the majority upon those who disagreed with it then. There could be none then nor at any time."

Here is a bit of amusing inanity. To the fellow who in the dead of night shoots at a shadow believing it to be a burglar, that shadow is in fact a burglar. The test of fear is not in the number of reprisals made, but in the ability of NASD by reason of its powers to indulge in vengeful measures.

We have positive proof that fear of reprisals silences many NASD members. In most of hundreds of communications received by this publication from NASD members they ask that their names be withheld, or write anonymously. Many of these letters definitely bespeak their fear of reprisals. We are informed that the same attitude was taken by a number of those who are supporting the activities of the Securities Dealers Committee.

Retaliation is not limited to official NASD action. Some advocates of the 5% plan, control the parceling out of considerable business. The fanatics amongst these would not hesitate to withhold this business from their adversaries, nor to offer it as bait for the acquisition of proponents of the measure. This condition also silences much opposition.

THE BOARD REFERENCE TO "HITTING BELOW THE BELT" IS TRULY ANOMALOUS, FOR WE KNOW OF NO MORE FOUL BLOW THAN THAT STRUCK BY IT IN THE PROMULGATION OF THE "5% RULE."

"What is all the shooting about?" We have only scratched the surface and as you can see, already there is cause aplenty with more to follow.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 286)

the statements used so freely by market analysts. "I don't see any stock coming out on the reaction" and "volume dries up on the sell-off.' Both are meant to soothe the apprehensive holder into a feeling of security. Fact is that if Steel for example doesn't come out but your stock does, and at a loss, the trite explanations prove poor satisfaction.

To get back to the current market. Two weeks ago the statement was made here that 151 in the Dow averages would prove a stumbling block. Up to this writing that is just what has happened. Here and there some stocks managed to go through but by and large the first obstacle has proved itself. All of which leads up to the statement that new buying at this stage of the game is full of pitfalls.

Inflation may again take hold in the popular mind and in that case stocks will resume their advance. But until more signs of this possibility appear new buying is advised against.

In the meantime readers are still long of two stocks, Crane and National Gypsum. The first, bought at 22½, still has a stop at 25. Half of your Crane position was sold across 27 for a profit of about 4½ points. National Gypsum, part of which was also sold at 14 and a fraction was bought at 9¾. Remainder should be stopped at 12. Latter trade gave you about 4½ points.

Immediate possibilities point to a reaction to about 148. But if the whole rally which started last April isn't to bend over into a down spiral that 148 figure must hold. But if the urgent signs are missing the undercurrents that tend to pull stocks down are present.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Attractive Situation

H. H. Robertson Company offers an attractive situation (the issue is tax free in Pennsylvania), according to an interesting memorandum being distributed by Buckley Brothers, 1529 Walnut St., Philadelphia, Pa., members of the New York and Philadelphia Stock Exchanges. Copies of this memorandum may be had upon request from Buckley Brothers.

Situations of Interest

F. H. Koller & Co., Inc., 111 Broadway, New York City, have prepared a memoranda on Great American Industries, Laclede Christy Clay Products and Indiana limestone which the firm believes appear attractive at current levels. Copies of these interesting circulars may be had upon request from F. H. Koller & Co.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following firm changes:

Privilege of William F. Luce to act as alternate for Charles H. Wisner, of Wainright, Luce & Willetts was withdrawn April 19th, 1944.

Morris L. Parrish, partner in Parrish & Co., died on July 18.

Post-War Possibilities

Moxie, Dumont Laboratories, and Majestic Radio offer interesting possibilities according to a circular on the situation issued by J. F. Reilly & Co., 111 Broadway, New York City. Copies of this circular may be had from J. F. Reilly & Co. upon request.

Calendar Of New Security Flotations

OFFERINGS

AMERICAN MACHINE & METALS, INC. filed a registration statement for $2,000,000 4½% 15-year sinking fund debs., due June, 1959, and 68,450 shares of capital stock, without par value. The 68,450 shares of capital stock are to be offered for subscription to the holders of capital stock at the rate of one share for each four shares held. The subscription price as well as the record date and time when subscription warrants will be filed by amendment. The public offering price of the debentures will be filed by amendment.

The net proceeds from the sale of the debentures and stock will be applied, together with additional funds from the company's treasury, to repay a $3,000,000 temporary bank loan which was incurred in the purchase last March of control of the United States Gauge Co. Hornblower & Weeks are principal underwriters. Filed May 31, 1944. Details in "Chronicle," June 8, 1944.

Offered—The bonds by Hornblower & Weeks and associates on July 13 at 100 and interest. Stock offered for subscription at $9 per share to stockholders of record July 12. Rights expire July 25.

GENERAL PRINTING INK CORP. has registered 35,000 shares of $4.50 preferred stock, series A, cumulative (no par). Company is offering to holders of the 33,926 shares of outstanding $6 cumulative preferred stock the privilege of exchanging their shares on a share for share basis for the new $4.50 preferred stock plus an amount in cash per share equal to the excess of the redemption price per share of the $6 preferred stock, $105 plus accrued dividends from July 1, 1944, to the redemption date, over the initial public offering price of the $4.50 preferred stock. Cash proceeds from sale of any unexchanged shares, with treasury cash, will be used to redeem, at $105 per share plus accrued dividends, all unexchanged shares of the $6 preferred stock, and to the payment of the cash adjustment payable to holders of the $6 preferred stock making the exchange. Filed June 17, 1944. Details in "Chronicle," June 29, 1944.

Offered — Unexchanged shares (16,809) offered July 17 by Shields & Co. at $102.50 per share.

JOHNSON & JOHNSON have filed a registration statement for 36,218 shares of cumulative second preferred stock, series A 4% (par $100) and 77,252 shares of common stock (par $12.50). The preferred stock registered is issued and outstanding and includes 1,138 shares held by the company in its treasury, 19,587 shares held by Robert W. Johnson and 15,492 shares held by J. Seward Johnson. Of the 77,252 shares of common 21,252 shares are held by the company's treasury, and 28,000 shares each held by Robert W. Johnson and J. Seward Johnson. Proceeds to the company will be used for general corporate purposes. The underwriters of the preferred stock are Morgan Stanley & Co., Dominick & Dominick, Clark, Dodge & Co., Hemphill, Noyes & Co., Merrill Lynch, Pierce, Fenner & Beane and Smith, Barney & Co. The offering of common stock is not being underwritten. Applications for purchase of common stock may be made to Robert W. Johnson, J. Seward Johnson and the company in care of J. P. Morgan & Co. Incorporated. Filed June 30, 1944. Details in "Chronicle," July 6, 1944.

Offered July 20 by Morgan Stanley & Co. and Dominick & Dominick, at $106 a share.

ROTARY ELECTRIC STEEL CO., DEL. has filed a registration statement for 150,000 shares of common stock (par $10). The shares have been issued and are being offered by the underwriters. Company was incorporated in Delaware June 23, 1944, to acquire the business, physical assets and inventories and properties of the Rotary Electric Steel Co. (Calif.). On July 1, 1944, company purchased from the California corporation, all the physical properties of the latter for $650,000, plus inventories priced at cost or market whichever was lower. Pending a physical check, the value of the inventories was taken at $1,800,000. Contemporaneously or just prior to this transaction the company sold to the underwriters 150,000 shares of common stock at $11.375 a share, and sold to the New York Trust Co. $800,000 3% five year notes, and sold to Mutual Life Insurance Co., New York, $500,000 4% first mortgage bonds due 1956. The proceeds from the sale of these securities were used to purchase the California company and to provide initial working capital requirements. The common stock being offered is that purchased by the underwriters from the company on July 1, 1944, the net proceeds from the sale at that time were received by the company. Underwriters are W. E. Hutton & Co., 80,000 shares; Hemphill, Noyes & Co. and E. H. Rollins & Sons, Inc., 30,000 shares each, and Stein Bros. & Boyce, 10,000 shares. Filed June 29, 1944. Details in "Chronicle," July 6, 1944.

Offered July 19, 1944 at $13.25 per share.

STERLING ENGINE CO. has filed a registration statement for 204,075 shares of common stock, of which 23,225 are being issued by the company through underwriters and 180,850 shares by three present stockholders. Offering price to public on 204,075 shares is $3.75 per share. An additional 100,000 shares is reserved against the exercise of warrants to purchase 100,000 shares of common, at $4.50 per share, prior to three years from and after the effective date of registration statement. Warrants for 50,000 shares will be issued to Burr & Co., Inc., which will retain 25,000 thereof as manager of the underwriters and will distribute the remaining 25,000 among the underwriters and warrants for 50,000 shares will be issued to members of the management of the company. Proceeds for working capital. Burr & Co., Inc., Dempsey-Detmer & Co., Hirsch, Lilienthal & Co. are principal underwriters. Filed April 24, 1944. Details in "Chronicle," May, 4, 1944.

Offered July 14 at $3.75 per share.

NEW FILINGS

List of issues whose registration statements were filed less than twenty days ago, grouped according to dates on which registration statements will in normal course become effective, unless accelerated at the discretion of the SEC.

THURSDAY, JULY 20

MARATHON CORPORATION, successor to Marathon Paper Mills Co. by change of name July 6, 1944, has filed a registration statement for 50,000 shares of 5% cumulative preferred stock (par $100). The proceeds from the sale of the preferred stock, together with the proceeds to be received from the sale by the corporation, prior to Oct. 1, 1944, of $5,000,000 debentures, will be used principally to finance, through advances to the corporation's wholly-owned Canadian subsidiary, the erection of a bleached sulphate pulp mill at Peninsula, Ontario, Canada. The balance of the proceeds will be used to provide additional conversion facilities of the corporation's United States plants and to augment working capital. Underwriters with number of shares underwritten are as follows: Lee Higginson Corp., 10,000; Smith, Barney & Co., and the Wisconsin Company, 5,000 each; Blyth & Co., Inc., 3,000; Merrill Lynch, Pierce, Fenner & Beane, 2,500; Milwaukee Company, Eastman, Dillon & Co., Paine, Webber, Jackson & Curtis and F. S. Moseley & Co., 2,000 each; Clair S. Hall & Co., 1,750; Dean Witter & Co., A. C. Allyn & Co., Inc., Central Republic Co., Inc., and Harris, Hall & Co., Inc., 1,500 each; Reynolds & Co., Wertheim & Co., Bacon, Whipple & Co. and Loewi & Co., 1,000 each; Piper, Jaffray & Hopwood, Whiting, Weeks & Stubbs, Inc., Kebbon, McCormick & Co., Perrin, West & Winslow, Inc., and Tucker, Anthony & Co., 750 each; Farwell, Chapman & Co., and Scherck, Richter Co., 500 each. Filed July 1, 1944. Details in "Chronicle," July 6, 1944.

EMPIRE DISTRICT ELECTRIC CO. has filed a registration statement for $10,600,000 first mortgage bonds, 3½% series due 1969, and 350,000 shares of common stock (par $10). The shares of stock are issued and outstanding and are being offered for the account of Cities Service Power & Light Co. The net proceeds to be received by Empire District from the sale of the bonds, together with the net proceeds from the sale of 6,500 shares of 5% cumulative preferred stock, par $100, which the company expects to sell contemporaneously with the issue and sale of the bonds are to be applied to the redemption at 101¾ of $10,044,900 first mortgage and refunding bonds, 5% series, due March 1, 1952, and to the redemption at 105 of $851,200 of Ozark Power & Light Co. first mortgage sinking fund 5% bonds due March 1, 1952, assumed by Empire. Empire District Electric Co. which is controlled by Cities Service Power & Light Co. proposes to acquire by merger the properties of Ozark Utilities Co., Lawrence County Water, Light & Cold Storage Co. and Benton County Utilities Corp. In conjunction with this merger Cities Service Power & Light Co. is surrendering all the securities of the constituent companies owned by it in exchange for an aggregate of 350,000 shares of common stock, $10 par, of the Empire District Electric Co. Both the bonds and stock will be offered for competitive bidding under the Commission's competitive bidding rule U-50. Names of the underwriters will be filed by amendment. Filed July 1, 1944, Details in "Chronicle," July 6, 1944.

WEDNESDAY, JULY 26

MONTANA - DAKOTA UTILITIES CO. filed a registration statement for 20,894 shares of 5% series preferred stock, cumulative (par $100). Entire proceeds will be used to redeem company's outstanding $1,950,000 of 3½% serial notes, due serially at rate of $390,000 on March 15 in each of the years 1946 to 1950 inclusive, and, together with general funds of the company, to redeem outstanding $390,000 2½% serial notes due March 15, 1945. Underwriting group is headed by Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Beane. Filed July 7, 1944. Details in "Chronicle," July 13, 1944.

SATURDAY, JULY 29

MICROMATIC HONE CORP. has filed a registration statement for 75,000 shares 5% cumulative convertible preferred stock (par $10). The preferred is convertible into 75,000 shares of common stock (par $1).

Address—8100 Schoolcraft Avenue, Detroit, Mich.

Business — Manufacture of micromatic honing tools, abrasive honing sticks, workholding fixtures and honing machines.

Offering—Price to the public will be supplied by amendment.

Proceeds—Will be available for general corporate purposes.

Underwriting—Watling, Lerchen & Co., Detroit, is named principal underwriter with names of others to be supplied by amendment.

Registration Statement No. 2-5424. Form S-1. (7-10-44).

MONDAY, JULY 31

ACF-BRILL MOTORS CO. has filed a registration statement for 280,138 shares of common stock ($2.50 par).

Address—30 Church Street, N. Y.

Business—The company owns no physical properties, but is the sole stockholder of its operating subsidiaries, including J. G. Scott Motor Car Co.
Brill Co., A. C. F. Motors Co. and Hall-

Underwriting—None.

Offering—Registration is in connection with proposal to merge the American Car & Foundry Motors Co. into the Brill Corp. to form the ACF-Brill Motors Co. The merger agreement provides for the issuance of 280,138 warrants to purchase 280,138 shares of common stock, par $2.50, of the merged company at a price of $12.50 per share prior to Jan. 1, 1950, and at a price of $15 per share on and after Jan. 1, 1950 and prior to Jan. 1, 1955, subject to adjustment in certain cases. Under the terms of the merger agreement published last month each two class B shares of Brill and each common share of the Motors company will receive a warrant to purchase one share of new common.

Registration Statement No. 2-5425. Form S-1. (7-12-44).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

ARDEN FARMS CO. has registered 35,714 shares of $3 cumulative and participating preferred stock, without par value. Company has offered to holders of its preferred stock rights to subscribe for shares of the new preferred at the rate of one share for each 2½ shares held at $45 per share. Company proposes to sell to the public any shares not subscribed. Net proceeds will be used to improve the cash and working capital positions of the company and to the acquisition of additional plants. No underwriters named. Filed June 21, 1944. Details in "Chronicle," June 29, 1944.

BEN-HUR PRODUCTS, INC. — $300,000 5% convertible debentures, series of 1943, due Feb. 1, 1951 and 11,400 prior preferred shares (for purpose of conversion). Proceeds to retire bank loans and working capital. Pacific Co. of Calif. and Wyeth & Co. named underwriters. Filed Dec. 20, 1943. Details in "Chronicle," March 9, 1944.

BROOKLYN UNION GAS CO. has filed a registration statement for $12,000,000 25-year sinking fund debentures due Aug. 1, 1969. Company plans to refinance its entire outstanding debt by the issuance and sale to the public of $12,000,000 debentures and the concurrent issuance and private sale of $30,000,000 general mortgage sinking fund bonds, 3¾% series, due Aug. 1, 1969. The net proceeds of the sale of the new securities will be applied together with approximately $6,000,000 from the general funds of the company to the following purposes: payment at maturity May 1, 1945, of $14,000,000 first consolidated mortgage 5% bonds; to pay at maturity $6,000,000 first lien and refunding mortgage bonds series A, 6%, due May 1, 1947; $10,000,000 to redemption on Nov. 1, 1944, of $10,000,000 first lien and refunding mortgage bonds, series B, 5%, due May 1, 1957, and $18,000,000 to redemption on Sept. 9, 1944, of 20-year 5% debentures. The last two redemptions involve the payment of $300,000 and $360,000 in premiums, plus interest, respectively. F. S. Moseley & Co., Boston, is named principal underwriter. Filed June 29, 1944. Details in "Chronicle," July 13, 1944.

EQUIPMENT FINANCE CORP. filed a registration statement for 14,000 shares 4% non-cumulative series 2 preferred, par $100. Price to the public $100 per share. Proceeds for acquisition of factory and warehouse buildings and additional trucks. Filed May 19, 1944. Details in "Chronicle," May 25.

EXCESS INSURANCE CO. OF AMERICA has filed a registration statement for 48,981 shares of capital stock (par $5). Shares are to be offered for subscription to present stockholders of record May 31, 1944, on a pro rata basis at $8 per share. Net proceeds will be added to company's capital and surplus funds. Unsubscribed shares will be sold to Lumbermens Mutual Casualty Co. for investment. Filed May 29, 1944. Details in "Chronicle," June 8, 1944.

FLEMING COMPANY, INC., has filed a registration statement for 2,500 shares of preferred stock, 5% cumulative ($100 par). Price to public $103 per share. Proceeds will be used to increase working capital through the reduction of bank loans. Beecroft, Cole & Co., Columbian Securities Corp. and Seltsam & Co., Inc., are underwriters. Filed June 3, 1944. Details in "Chronicle," June 8, 1944.

GERMANTOWN FIRE INSURANCE CO. has filed a registration statement for 50,000 shares of common stock, $20 par, and voting trust certificates for said stock. Policyholders of Mutual Fire Insurance of Germantown are to have pre-emptive rights to subscribe for the common stock at $20 per share in proportion to the respective premiums paid by them upon insurance policies issued by Mutual. Voting trust certificates representing shares not subscribed will be offered to the general public at the same price. All stockholders will be asked to deposit shares in the voting trust for a period of 10 years. Bioren & Co. are underwriters. Filed May 29, 1944. Details in "Chronicle," June 8, 1944.

HAWAIIAN ELECTRIC CO., LTD., filed a registration statement for $5,000,000 first mortgage bonds, series D, 3½%, due Feb. 1, 1964. Proceeds will be used to pay company's $3,500,000 3% collateral promissory notes due June 1, 1948; to pay for additions, improvements and betterments of plant and properties to be made prior to the close of 1945. Dillon, Read & Co., New York, and Dean Witter & Co., San Francisco, underwriters. Filed May 23, 1944. Details in "Chronicle," June 8, 1944.

HAYES MANUFACTURING CO. has registered 100,000 shares of common stock $2 par value. Net proceeds will be received by Porter Associates, Inc. The moneys paid to the corporation by Porter Associates, Inc., on account of the purchase of said shares will, in the estimated amount of $187,500, reimburse the corporation in part for the $200,000 expended by it in purchasing such shares. Porter Associates, Inc., underwriters. Details in "Chronicle," May 31. Filed May 25.

IDAHO POWER CO. has filed a registration statement for 60,587 shares of 4% preferred stock, $100 par value. Underwriters are Blyth & Co., Inc., and Lazard Freres & Co., New York, 45% each, and Wegener & Daly, Inc., Boise, 10%. Company will offer to holders of its 32,130 shares of 7% and 28,457 shares of $6 preferred stock the opportunity to exchange their shares for new 4% preferred stock on a share for share basis together with $8 in cash and accrued dividends to Aug. 1, 1944. The exchange offer will be open from about July 1 to July 22. The new preferred stock will be cumulative from Aug. 1, 1944. Any shares of the 7% and $6 preferred stock not deposited for exchange will be redeemed on Aug. 1, 1944, at $110 per share plus accrued dividends to that date. The underwriters have agreed to purchase any of the 4% preferred shares not issued pursuant to the exchange offer. The price to the public will be $102 per share. Filed June 13, 1944. Details in "Chronicle," June 22, 1944.

JACKSONVILLE GAS CORPORATION has filed a registration statement for $1,745,000 first mortgage bonds, 4% series due June 1, 1969. Net proceeds will be applied to the redemption, at 100, of outstanding $1,745,000 first mortgage bonds, 5% series due 1967. Central Republic Co., Chicago is named principal underwriter. Filed June 20, 1944. Details in "Chronicle," July 6, 1944.

MIDLAND COOPERATIVE WHOLESALE has filed a registration statement for $250,000 subordinated debenture notes bearing interest at rate of 4% per annum and maturing in five and ten years from date of issue. Notes are to be sold at their face value, only to members of the issuing corporation and individual members of its corporate stockholders. Proceeds will be used to increase working capital and reduce bank loans. Filed June 12, 1944. Details in "Chronicle." June 22, 1944.

MORRISON-KNUDSEN CO., INC., has filed a registration statement for $200,000 series K 5% preferred stock and $300,000 series L 6% preferred stock, both $100 par value. Securities will be offered by Morrison-Knudsen Co., Inc., at par. Any part of the issue not sold by company officials will be sold through Wegener & Daly, Inc., Boise, Idaho, as underwriters. Company in an amendment filed June 10 proposes to offer $100,000 4% series F demand certificates and $100,000 4% series Y certificates at $100. Proceeds for working capital. Details in "Chronicle," May 31. Filed May 23.

NATIONAL AUTOMOTIVE FIBRES, INC., has filed a registration statement for 86,310 shares of common stock (par $1). Proceeds will be used to increase working capital for war purposes, and to place company in a position to carry additional inventories and additional notes and accounts receivable for anticipated post-war business, particularly in the automotive field. Reynolds & Co., New York, is principal underwriter. Filed June 30, 1944. Details in "Chronicle," July 13, 1944.

NEW ORLEANS PUBLIC SERVICE INC. has filed a registration statement for $34,500,000 first mortgage bonds series due 1974 and 77,798 shares of preferred stock, par $100. The interest rate on the bonds and dividend rate on the stock will be filed by amendment. The bonds and stock are to be offered for sale pursuant to the Commission's competitive bidding Rule U-50.

Net proceeds together with such additional cash from company's treasury as may be required will be used to redeem following securities: 77,798 shares of $7 preferred stock; $11,849,500 first and refunding mortgage gold bonds, series A, 5% due Oct. 1, 1952; $17,856,000 first and refunding mortgage gold bonds, series B, 5% due June 1, 1955; $4,625,380 6% mortgage gold income bonds, series A and series B, due Nov. 1, 1949; $392,000 Canal & Claiborne Railroad Co., 6% gold mortgage bonds due May 1, 1946, and $283,000 Saint Charles Street Railway Co. first mortgage 4% gold bonds due Jan. 1, 1952. The total required, exclusive of accrued interest and dividends, is $44,039,275. Filed June 22, 1944. Details in "Chronicle," June 29, 1944.

Bids for the purchase of the $34,500,000 1st mortgage bonds and 77,798 shares of preferred stock will be received by the company at room 2033, 2 Rector St., N. Y. City up to 12 noon EWT on July 25, the purchasers to fix the interest rate on the bonds and the dividend rate on the stock.

NORTHERN INDIANA PUBLIC SERVICE CO. has filed a registration statement for 220,078 shares of 5% cumulative preferred stock, par $100 per share. Company plans to issue the 220,078 shares of 5% preferred stock to effect the retirement by exchange or redemption of an equal number of shares of its 7%, 6% and 5½% preferred stock, the exchange to be on a share for share basis plus a cash payment to be filed by amendment. Filed May 17, 1944. Details in "Chronicle," April 27, 1944.

Exemption from competitive bidding rule denied by SEC in opinion issued May 5, 1944. Company on May 12 filed an amendment with the SEC proposing invitation of competitive bidding on the stock under rule U-50. Offering data to be completed by post effective amendment.

Proposals for exchange and purchase of the 5% preferred stock were received by the company up to 10 a.m. CWT July 10. Only one bid, made by Stone & Webster and Blodgett, Inc. and associates, was received, which the company rejected. The price named by the bankers was 101.

PERFEX CORP. has filed a registration statement for 21,803 shares of common stock, $4 par value. The shares are being offered for subscription to holders of common stock at the rate of one new share for each five shares held. The offering is conditioned upon the underwriters purchasing shares not subscribed by stockholders and the company procuring loans aggregating $550,000. Proceeds will be used for additional working capital. The Wisconsin Co. is named principal underwriter. Filed June 22, 1944. Details in "Chronicle," July 6, 1944.

PUBLIC SERVICE CO. OF OKLA.—$1,500,000 5% cumulative preferred stock (par $100) and $6,600,000 first mortgage bonds, series A 3½% due Feb. 1, 1971. Stock is for exchange of $6 preferred of Southwestern Light & Power Co. (subsidiary) on share for share basis. Bonds will be offered for sale at competitive bidding. Registration effective Jan. 10, 1944. Filed Dec. 21, 1943. Details in "Chronicle," March 16, 1944.

VERTIENTES-CAMAGUEY SUGAR CO. OF CUBA.—696,702 shares of common stock ($6.50 par), U. S. currency. Of shrs. registered, 443,850 are outstanding and owned by the National City Bank, N. Y. Several underwriters have agreed to purchase $1,663,500 of first mortgage (collateral) 5% convertible bonds of company, due Oct. 1, 1951, owned by National City Bank, N. Y. Underwriters propose to convert these bonds at or prior to closing and the 252,852 shares of common stock which are received by the underwriters on such conversion, together with the 443,850 shrs. previously mentioned, will make up the total stock to be offered. Harriman Ripley & Co., Inc., N. Y., principal underwriter. Filed Mar 29, 1944. Details in "Chronicle," April 6, 1944.

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on July 17 that the tenders for $1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated July 20 and to mature Oct. 19, 1944, which were offered on July 14, were opened at the Federal Reserve Banks on July 17.

The details of this issue are as follows:

Total applied for, $2,074,323,000. Total accepted, $1,206,577,000 (includes $59,701,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price 99.905, equivalent rate of discount approximately 0.375% per annum.

Range of accepted competitive bids:

High, 99.910, equivalent rate of discount approximately 0.356% per annum.

Low, 99.905, equivalent rate of discount approximately 0.376% per annum.

(53% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on July 20 in the amount of $1,013,435,000.

Next War Loan May Be "Victory Loan"

Stating that "the next War Loan Drive may provide a clue to what the Treasury thinks of the imminence of victory in Europe," Associated accounts from Washington on June 10 added:

"Treasury officials, it was learned today, have started planning for a 'Victory Loan.' If the military picture in Europe appears bright several months hence, the next drive probably will be pitched to a 'victory' theme. Otherwise there will be another 'war' loan.

"The goal may be larger than the $16,000,000,000 of the Fifth War Loan Drive just successfully completed.

"Some banking circles consider it probable that the larger 'Victory' bonds may carry somewhat higher interest than 2½%, with no change in the E bonds. The E bonds, if held for 10 years, bear interest of about 2.9%.

"Banking circles say a higher interest rate may be necessary to make post-war Government securities attractive from an investment standpoint, since private sources again will be in competition for money.

"Our Reporter On Governments"

By DONALD MacKINNON

(Mr. MacKinnon has been kind enough to act as guest writer this week. As is true of other contributors, the opinions expressed by Mr. MacKinnon are his own and do not necessarily reflect the views of the Chronicle.—Editor.)

Having bowed out after an excellent performance, the Fifth War Loan, from the wings, now watches the epilogue as portrayed by the perennial "Series" note and bonds. . . . That the Loan will exceed $20,000,000,000 is conceded by Treasury officials, who have announced tentative plans for the Sixth or "Victory" Loan. . . .

One cannot fail to be impressed with the price stability of almost all Treasury obligations during the course of the Fifth War Loan. . . . The following tabulation illustrates the record of bid prices:

%	Issue—	June 12	June 26	July 8	Change
1½	9-15-1948	100.13	100.12	100.13 +	+ 1/64
2	12-15-1951-49	101.17	101.15 +	101.15 +	— 3/64
2	9-15-1952-50	100.30 +	100.30 +	100.31 +	+ 1/32
2	9-15-1953-51	100.14	100.13 +	100.16	+ 2/32
2¼	6-15-1955-52	101.30	101.30	102	+ 2/32
2½	3-15-1958-56	103.19	103.17	103.16	— 3/32
2½	9-15-1972-67	100.13	100.11	100.10	— 3/32
2⅞	1960-55	112.7	112.14	112.13	+ 6/32
2¾	9-15-1959-56	111.15	111.28	111.29	+14/32
2¾	6-15-1963-58	111.13	111.27	111.28	+15/32
2¾	12-15-1965-60	111.20	112.4	112.7	+19/32

PRICE STABILITY

For the week ending July 15, the partially exempts declined about 4/32s to 6/32s; while almost all taxable issues registered small gains, with the 2½s of 70/65 up 4/32s, and the 2¼s of 59/56 up 5/32s. . . . It is quite obvious that the market is in good condition, and we feel that the underlying strength so clearly demonstrated, will continue. . . . But this condition didn't "just happen"; on the contrary, it is a very real tribute to all the executives who planned the Fifth War Loan, and to all the workers who aided the successful execution of those plans. . . . Lively interest on the part of commercial bankers who wished to round out or increase their allotments, plus active dealer demand, contributed to the initial premium of about 100.8 commanded by the new 2s of 54/52 when trading in this issue was permitted on July 10. . . .

While this was the anticipated price level for the 2s, the star who stole the show at the opening, and who has continued to dominate trading sessions to date, is the new 1¼ three-year note, which closed on July 10 at 100.8+ bid, and at this writing is bid 100.10+. . . . No one with whom we have talked, prior to July 10, admitted the possibility that the 1¼s would sell at a higher price than the new 2s—and neither did we believe that such market action would be the case. . . .

Current prices for the 1¼s of '47 are in marked contrast to bids for the 1½s of '48, offered during the Fourth War Loan, which issue closed at 100.5 bid on the first day of trading, March 2. . . . Unless there is a specific reason involved—such as maturity—holders of any one of the four longest notes might well consider the possible advantages of exchanging such notes into the new 2s, or into the 2s of 53/51; not only for material increase of income, but for greater possibilities of appreciation as well—viz:

	Issue—	July 18 Bids	Yield	
1½	12-15-1946	100.28	1.11%	
1¼	3-15-1947	100.10 +	1.11%	
1½	9-15-1947	100.26 +	1.22%	
1½	9-15-1948	100.15	1.38%	
		July 18 Offerings		Increase From
2	9-15-1953-51	100.17 +	1.91%	.53% to .80%
2	6-15-1954-52	100.11 +	1.96%	.58% to .85%

Of other taxable issues available to commercial banks, we like the 2½s of 72/67, and the 2½s of 58/56. . . . The former has been battered around somewhat, but we feel that moderate appreciation possibilities are present—about 4/32s to 6/32s—with relatively stable future market performance probable, at least until the influence of the Sixth War Loan begins to exert itself. . . . In less than two years, the latter issue will have moved into the classification of Treasuries which may be called in 10 years, and thus more acceptable for purchase by commercial banks who wish to keep to a 10-year range. . . . We believe that this issue will appreciate to a level higher than that attained earlier this year—103.23. . . . At current prices of 103.17, to yield 2.16% before taxes, and 1.30% after 24% normal tax and 16% surtax, we consider the 2½s of 58/56 attractive. . . .

MARKET TREND

Partially exempts are tired. . . . The advance which ended on July 10 brought the 2⅞s up to within 3/32s of the high of 112.17 established earlier in 1944; and, of the four longest issues, only the 2¾s of 65/60 equalled but did not exceed the year's high of 112.8. . . . Our correspondents indicate a reluctance to purchase such issues, in spite of increasing tax payments largely because of two reasons—(1) unsettled future tax picture, and (2) election year and end of war. . . . Put both reasons together and you have taxes. . . . We do not believe you will witness any important changes in taxes for at least two years after the war; but we do feel that many more institutions will pay out greater sums of money for taxes. . . .

With the possible exception of the 2⅞s, and expecting to see slightly lower prices for partially exempts within the immediate future, largely because of failure to carry through to new highs, we believe that the three longest issues will eventually respond to demand induced by taxes, and will move into new high ground.

The Securities Salesman's Corner

Knowing When To Buy A Security Is Only Part Of The Story

One of the most unappreciated good deeds the progressive security dealer provides for his clients is that he assists the investor in accomplishing some degree, at least, of "proper timing." It is well recognized today, even by the uninitiated, that selecting the RIGHT SECURITY is only one-third of the investment job which has to be consummated every time an investor purchases a security. Timing **when to buy** and **when to sell** are also important factors in determining the success of any venture in securities.

The alert security salesman can bring out this very important consideration whenever he offers the services of his firm. One salesman uses the following very pointed, one sentence, argument—it seems to hit the bull's eye: "Buying a security is only one thing—knowing when to sell it is ANOTHER." This sums up the whole story. Any investor who has had experience buying and selling securities can no doubt visualize the profits he would have made, or the losses he would have avoided, if he would have had someone who would have urged him to act WHEN THE SELLING TIME CAME.

Most dealers in securities, whether they are the large underwriting houses, or even the smallest firms, make a policy today of specializing in individual situations. In other words, the investor now has the advantage of doing business with a firm that follows the progress of an investment after they have sold it to their clients. This is one of the services the over-the-counter firm that is retailing securities is providing today which very few strictly commission and brokerage firms make a practice of doing. For this reason it is necessary that the mark-up involved in selling a security to a customer, wherein constant vigilance regarding that investment is required for the period of time which the security is held by the investor, is necessarily larger than the average stock exchange commission.

In many cases it is possible for a listed issue to hold forth unusual opportunities for price appreciation, but due to the fact that the security is listed many firms cannot afford to work for nothing and therefore do not make a real campaign on it. Other dealers who have discovered that their clients will pay a point or two more than the stock exchange commission if they understand that they are getting value received in the way of information, are selling listed issues to their customers and showing the additional mark-up on the confirmation as a service charge.

If PROPER TIMING is explained to a customer, the value of having an indication of WHEN TO SELL AFTER YOU HAVE BOUGHT, and what it can mean in profits is clearly explained, many investors are only too well pleased to pay for this extra service. In fact, this is an extra service, it is worth an extra fee; the salesman who says "Mr. Jones, as you know, buying a security is ONE THING, SELLING IT IS ANOTHER," is on the right track. No one has ever made a profit in a security until he has taken it—many have taken losses however, through not knowing WHEN TO SELL.

Attractive Situation

Panama Coco-Cola offers an interesting situation according to circular being distributed by Hoit, Rose & Troster, 74 Trinity Place, New York City. Copies of this circular may be had from the firm upon request.

Interesting Rail

Raymond & Co., 148 State Street, Boston, Mass., have issued a special analytical letter of Baltimore & Ohio 4½s of 1960. Copies of this interesting letter on the situation may be had from Raymond & Co. upon request.

Interesting Utility

Arizona Edison Co., Inc., offers an interesting situation, according to a detailed memorandum issued by Amott, Baker & Co., Inc., 150 Broadway, New York City. Copies of this release and a series of three analyses of Mid-Continent Airlines, Inc., may be had from Amott, Baker & Co. upon request.

Fashion Park Attractive

A detailed study of Fashion Park, Inc., is contained in a special circular prepared by Simons, Linburn & Co., 25 Broad Street, New York. Copies of this interesting study may be had from the firm upon request.

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Final Edition ESTABLISHED OVER 100 YEARS In 2 Sections—Section 2

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 160 Number 4300 New York, N. Y., Thursday, July 20, 1944 Price 60 Cents a Copy

The Financial Situation

"I am very happy to be able to announce that a monetary fund has been born. I think it is an unusually fine demonstration for the whole world that 44 nations can get together and iron out difficulties and work together to produce a plan to aid post-war money matters. Naturally not all the countries got what they had hoped from the fund which was necessarily limited in dollars. But the spirit of give and take shown is the best indication of international cooperation which will be expected when all sit around the peace table."

With these words Secretary of the Treasury Morgenthau at the turn of the week announced an agreement among those present at Bretton Woods (but, of course, not by Congress) upon a plan which would require the United States of America to subscribe some $2,750,000,000 (some $680,000,000 of it in gold) to a fund to be used to rig the post-war foreign exchange markets. A program for a world bank, or some such institution, is still on the stocks but it is expected to be launched in the very near future. This plan apparently envisages this country providing even larger sums than in the case of the "fund"—such sums to be employed, apparently, as a sort of international WPA, TVA, RFC, or something which might be described as a combination of them all. Concerning all this, New Deal managers in Washington, and a number of other day-dreamers who like to think of themselves as wholly different and apart from both the "isolationist" and the practical man of financial and international experience, are greatly elated, and are not permitting any opportunity to pass for making that fact known to the public at large.

(Continued on page 308)

Business And Post-War Success

"For the first time, the problems which the war's end will bring to us are beginning to be clearly outlined. Only one thing can prevent us from reaping the fruits of the victory for which our nation has fought.

Eric A. Johnston

"We shall have failed only if any of us at home neglects to plan now to meet the challenge our times will offer to us.

"The Chamber of Commerce of the United States, representing 700,000 business men throughout the nation, presents a 12-month program to make fully effective the dynamic forces of American business. Through it, business can unite to speed victory and make ready the nation for its task of reconstruction."—Eric A. Johnston, President of the U. S. Chamber of Commerce.

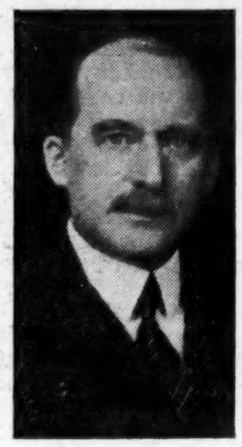
The eleven "objectives" set forth by the Chamber contain much hard sense and some excellent practical suggestions. If they are vague at important points and rather too ready to make concessions to the "crackpots," the faults thus revealed are common enough these days.

In the final analysis, our post-war success depends much more upon what government does or does not do than upon private business, and it doubtless is for this reason that much of the program of the Chamber concerns itself with the relation of business to public policy.

Need Of Importing Greater Volume Of Goods To Promote Intern'l Trade Stressed By Gen. Ayres

In the view of Brig.-Gen. Ayres "we do not display much economic sagacity and understanding when our politicians endorse great post-war extensions of world trade while proposing to maintain tariffs to protect our producers against foreign competition."

Gen. Ayres, in commenting thus, added that "such matters as these are being discussed at Bretton Woods where the delegates and the technicians of more than 40 nations are trying to devise plans for stabilizing the exchange rates between and among the currencies of countries which have such widely varying problems resulting from their efforts to trade between one another."



Leonard P. Ayres

In stressing the need of importing greater volumes of goods after the war, Gen. Ayres, Vice-President of the Cleveland Trust Company, also had the following to say in the Company's "Business Bulletin" issued July 15:

"Representatives of the United and Associated Nations are discussing at Bretton Woods in New Hampshire the difficult problems involved in the postwar stabilization of foreign exchanges. Most of them would like to buy increased amounts of our goods after peace has returned, and they would like to sell us more of their goods so as to get dollars with which to pay for the purchases they hope to make here. Foreign trade is much more important to many of the other nations than it is for us, and the monetary difficulties involved in it are far greater.

"In recent years before the wars the value of our exports of merchandise has been only about 7% or 8% as great as the value of the exportable goods that we have produced, but in many other countries the proportion is much higher. In the United States the average annual value of merchandise exports in the five years just before the outbreak of war in Europe was 3.9% as great as our national income in 1938-1939. The average value of our merchandise imports in the same years was 3.3% as much as our national income in 1938-1939.

"It is to be noted that in those years we exported a little, but not much, more than we imported, and that the value of the imports was only about one-thirtieth as much as our national income. In the United Kingdom the conditions with respect to foreign trade are utterly different. In those same five years the average value of the exports was over 10% as great as the national income. The value of the merchandise imports was not far from twice as great as that of the exports, and amounted to nearly 18% as much as the national income. Problems of foreign trade and of foreign exchange are much more seriously important for the United Kingdom than they are for us.

"Foreign trade is highly important for Canada, but in quite different ways. Instead of having an excess of imports over exports Canada is a great exporting nation. The average yearly value of her exports was 22% as great as her national income, and that of her imports was nearly 15% as large as her national income. All these data for exports and imports are taken from the compilations of the League of Nations, and the figures for national income are those published by the Federal Reserve system.

In the long run the international payments of nations have to balance, and it is clear from the data in the diagram that the merchandise items of these three nations were far from balancing in the five years just before war broke out. In 1939 we spent for services abroad a good deal more than we received from them from abroad. These services were such things as shipping charges, tourist expenditures, and personal remittances abroad, and our total net payments to foreigners for such matters amounted to well over half a billion dollars. Nevertheless we shall need to import greater volumes of goods after the war if we are to play our full part in helping to restore and promote international trade."

GENERAL CONTENTS

Editorial

From Washington Ahead Of The News

By CARLISLE BARGERON

Once before we wrote about how when a politician is on the downhill, particularly one to whom tremendous smartness has heretofore been attributed, there is no way of saving him. His very smartness gets him into more trouble. Take the case of Mr. Roosevelt. There are few people to whom we talk but who don't say, he will pull something out of the hat and be reelected. The very fact that people are talking this way militates against that very thing.

In the past few weeks there has been a widespread impression that Mr. Roosevelt would do something dramatically to justify his fourth term. There have been all sorts of newspaper stories and radio commentations to this effect. Don't you see that this very talking about it militates against its effectiveness whenever Mr. Roosevelt pulls it. The American public has been steeled against anything in the world he can do. It has been widely discussed that whatever he does will be in political terms.

The American people have been told that he will accept the "draft" of the Democratic National Convention from Cherbourg. The dope as this is written is that it will not be Cherbourg; that it will perhaps be a place in the Pacific, and your correspondent's view is that that is where it will be. The thought that its being the Pacific is that it will emphasize his interest in the Pacific war and therefore appeal to the Middle Western voters who are supposed to be more concerned in the Pacific war than in the war in the Atlantic. That's the way our political experts analyze it.

With Roosevelt, meeting with Churchill out in Honolulu, so the dope goes: that will show the American people that our Commander-in-Chief is really a two-front man. The assumption of these political smarties is that there are a helluva lot of people in this country who do not like FD, but who are nevertheless "for" his foreign policy. This means, of course, those people who think that the thing to do is to "get" Hitler and worry later about what is going to happen to us. This is what realistic observers in Washington call the Roosevelt-Willkie vote: Roosevelt first and Willkie second. The people of this mind are terribly worried, by way of escaping their domestic worries, whether or not we shall occupy our "proper" place in world affairs in the future. Just what our proper place shall be seems to be a question on which we can't get together.

Regardless of this getting together on our "proper" place in world affairs, there are politicians

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A Continuing Menace To Peace Proposed

By H. T. NEWCOMB

"Where there is no vision," said President Franklin D. Roosevelt in his first inaugural, "the people perish." What sort of vision, it must be demanded, is disclosed by refurbishment in 1944 of a scheme for world peace which failed miserably in every crisis from 1919 to 1939, and that in its inception was nothing more than the setting up, in terms of superficial adjustment to European civilization of the Twentieth Century, of plans that for at least six centuries had been tried or proposed, and without the shadow of success in any case of genuine hazard? For the plan proclaimed by the President on June 15, is no more than that. The wisdom of our State Department and the statesmanship of Mr. Roosevelt, presumably having been largely concentrated for months upon the vital problems of security against future wars, can envisage nothing more radical than a somewhat strengthened, or at least more complicated, League of Nations. This, they propose, shall be dominated by the United States, China, Soviet Russia, and Great Britain, other nations not in disfavor among the controlling quartette generously to be accorded "suitable" recognition, which apparently means permission to sit humbly nearby and observe whatever may be visibly conducted. Force, however, is to be distinguishable in the background, with, of course, the ever-present threat that it may be utilized. "We are not thinking of a super-state with its own police force," declares the President, but "the nations would maintain, according to their capacities, adequate forces to meet the needs of preventing war and of making impossible deliberate preparation for war, and to have such forces available for joint action when necessary." As to Germany and Japan, the plan, on paper, merits the characterization of "Thorough" as completely as the domestic policies which sent the Earl of Strafford to the scaffold under Charles I of England. The President writes: "All this, of course, will become possible once our present enemies are defeated and effective arrangements made to prevent them from making war again."

Is any one simple enough, even in Washington, to suppose that permanent peace could reasonably be anticipated, with the peoples of the world partitioned from each other in three categories: (1) the dominant nations, divided into four equal and independent sovereignties the interests and inclinations of which must inevitably sometimes conflict; (2) the benevolently considered subordinate nations, some two score of them, authorized to make representations and to plead, but always subsidiary and controlled; and (3) the outcast nations, once dangerously efficient as enemies, now permanently disabled, despised, and denied all influence and authority in world affairs? And what of the four dominant sovereignties? The United States, if the New Deal threat can be thrown off, as it must be, a genuine representative democracy, practically self-contained, almost economically independent, highly industrialized, strongly individualist, insistent upon a large degree of local self-government; Great Britain, sprawling discordantly over all the continents, practically opportunistic as to domestic and foreign relations, until now an oligarchy with a strongly intrenched and small ruling class, the insular pride of the people of its tiny capital island by no means impaired in their noble struggle against adversity, so prostrated by five weary years of valorous contest against overwhelming odds that no man can predict even the outline of its future government; Russia, confident and communist, eager to compel recompense for its unjust sufferings, little comprehending or caring for the circumstances or opinions of the rest of the world; China, disorganized, politically amorphous, never in the last millenium actually self-governing. Who can spell out of these incongruities, congruity and concord? How long can hatred of foes reduced to helplessness and feared no more, bind these separate peoples in common purpose or restrain the centrifugal forces inescapably tending to destroy their so limited unity?

The big four nations, according to the plan, would burden themselves indefinitely with equipments for war, with the manning and maintenance of those equipments, and likewise, "acording to their capacities," would the subsidiary nations: France, Sweden, Brazil, Argentine, Chile, Mexico, to enumerate only a few and at random; although presumably none would ever go to war, or ever be authorized to undertake any war, except to prevent war, as men have been said to commit suicide because fearing imminent death from disease. Idle armies, idle navies, idle ships, tanks, and military and naval equipment of all sorts, acquired at great expense, fast becoming obsolete and requiring replacement; all the financial costs and burdens of war projected interminably throughout periods of peace, should peace occur; all the peoples of the world, except perhaps those of the outcast nations to whom such burdens would be prohibited, made slaves forever to warfare, even though there should be no wars. Every idle soldier or sailor, every idle tank or ship, would be continuously a threat to the peace of every neighboring people and of the world. Scarcely could anything more menacing to the prosperity and order of the earth be conceived. Such planning would seem to be unthinkable, except that there is all too much evidence that the President and Secretary Hull, perhaps a good many others, have thought it, and to the exclusion of richer and more promising thought.

The thing could not work. One has only to know the history of the years since the first world war to be convinced that it could not work. The rulers of England, for example, became satisfied after 1919, and fatuously no doubt, that the German threat had been removed. Thereupon, promptly they seemed to see in the Republic of France a new threat of that preponderance of power in Europe which had been their historic nightmare. The consequences were that when France re-entered the Ruhr to enforce payment of reparations she saw to the westward a disgruntled and sullen England; when Hitler announced German re-armament and violated the neutralized Rhineland, contrary to the Versailles Treaty, Great Britain refused participation in any effort to enforce that Treaty; and then, with no word to the French government, their neighbor across the narrow Channel entered upon a treaty with the Reich under which the latter was permitted to acquire a new navy. As Saint Francis of Assisi taught many centuries ago, in human affairs the natural answer to force is force, resort to a weapon provokes resort to a weapon, armament invites armament, and it is almost inevitable that arms and armaments will not be continually allowed to rust and become obsolete in harmless disuse. Or, as Lin Yutang wrote that the Chinese believe, "where there are too many soldiers there can be no peace." Duelling, for centuries a curse of European civilization, and long a grievous evil in the United States, has become obsolete here and substantially obsolete throughout the world, but never anywhere was it suppressed by statute or edict, although both were plentifully resorted to by the rulers. It stopped, except among anti-social criminals, when gentlemen learned that it is self-degradation to go about their business armed. It ceased when the general public opinion recognized it as what it was, childish and futile folly, irresponsible arrogance carrying murder in its vicious train, thinly disguised under the silly forms of a dishonorable code mendaciously called a code of honor. If everyone stayed at home and minded only his own business there would be neither domestic strife nor foreign wars. The first inhibition could be dismissed if men and nations would regard only their own affairs. Is such self-restraint too much to be asked for or hoped for? Would freedom from cruelty and carnage, immunity from organized mass murders and maimings, exemption from the awful involuntary servitudes of conscription for foreign wars, the right of free men to retain the greater portions of the usufruct of their labor as against the ubiquitous and relentless tax-gatherer, be too highly purchased at the cost of limitations upon the powers of governments which would render them incapable of aggressions beyond their borders? There are no wars save when governments attempt to project their sovereign powers beyond their own frontiers, only within which such sovereignty as their sovereign peoples voluntarily surrender to them can be legitimate. After all, it may well be doubted whether the atmosphere of a world-wide and devastating war, or that of its immediate aftermath, is best adapted to the formulation of a plan containing those suitable elements of reciprocal friendliness, due conciliation, rational forbearance, and mutual understanding, that must be among the primary essentials of any plan of world order destined long to persist and providing effectively for the avoidance of armed conflict.

OPA Revises Rent Control

The procedural regulations covering price and rent protests and appeals have been amended, in conformity with the Stabilization Extension Act, the Office of Price Administration reported on July 4, it was made known in advices to the New York "Journal of Commerce" from its Washington bureau, which said:

The amendments, which were effective July 3, 1944, include these provisions:

Protests against a provision of a maximum price or rent regulation may be filed at any time after issuance of the regulation. However, the Price Administrator will ordinarily dismiss protests against orders relating to individual sellers or landlords if they are not filed within 90 days unless special circumstances justifying the delay are shown. Formerly, protestants were required to file within 60 days of the issuance of the regulation.

The Price Administrator must take initial action within 30 days after the filing of a protest. Formerly, the Administrator was required to act either within 30 days after the filing of a protest or within 90 days after issuance of the order or regulation being protested, whichever was later.

(Amendment No. 8 to Revised Procedural Regulation No. 1 and Amendment No. 7 to Revised Procedural Regulation No. 3—effective July 3, 1944.)

The State Of Trade

A business man who has been noted for his astuteness and accuracy in gauging public questions was asked by the writer of this column to give us his views as "to the order in which this country should apply its efforts and resources now and in the post-war period." In a few measured sentences this business man answered the question as follows:

(1) Winning the war and winning the peace are unquestionably our first and most important considerations.

(2) The establishment of a world peace organization for the settlement of international disputes should be given second rank.

(3) The problems of our domestic economy come next such as (a) the reconversion of industry to a peacetime basis and (b) the return of our fighting men who have served in the Army and Navy, to their old jobs or to better ones if possible.

(4) A financial reorganization of our domestic economy such as our national debt and the reduction of national and State taxes is imperative if we are to enjoy real and not artificial prosperity.

(5) Above all things, our country must put its financial "house in order" and refrain from wasting its substance boon-doggling on international WPA's and other foreign schemes.

We will, he said, require every ounce of energy and every dollar we have left to put this country of ours on a sound working business basis for our own people. We will do most for the world and particularly for our Allies if we succeed in setting such an example.

Without deference for either standing political precedents or time-honored traditions, Franklin D. Roosevelt in a letter written last week to Robert E. Hannegan, Chairman of the Democratic National Committee, expressed his desire to run again as the Democratic candidate to succeed himself for a fourth term. Mr. Roosevelt's three terms to date have cost the nation one-third of a trillion dollars. This appalling rising national debt is without question a matter of the utmost significance to the future of trade and business in this country. To meet the expenses of the Roosevelt administration every man, woman and child in America must pay an average of $104.44 a year in Federal taxes and it would require the payment of $1,962 by every living person in our country to pay off our national debt. In this connection, the New York "Sun" published on July 6th the "Fiscal Record of all the Presidents," a comparative table showing a complete record of the financial administration of every one of the 31 Presidents since the adoption of the Constitution in 1789 up to and including Roosevelt's present term. The "Sun" describes the financial operations of the present incumbent of the White House viz.:

"Whether he wins a fourth term or not, Franklin D. Roosevelt will go down in history as the most lavish spender, the most insatiable borrower, and the most exacting tax collector that the world has ever known.

"As 31st President of the United States he now spends as much money every 14 and a half months as all 30 of his predecessors together managed to spend in 144 years. He collects in taxes every two years the same amount of money that his predecessors extracted from the taxpayers in nearly a century and a half, and he borrows every five months as much money as they have borrowed since the Constitution was adopted.

"In the 11 fiscal years that he has thus far served, President Roosevelt has actually collected in taxes alone enough money to pay all the expenses of the Government from 1789 down to the day he took office — not merely the peacetime expenditures of the Government, but also all the costs of the first World War, the Spanish-American War, the Civil war, the Mexican War, the War of 1812 and the Revolutionary War.

"Yet all the money that Mr. Roosevelt has collected in taxes, plus all the money that all the other American Presidents have collected, plus all the money that will be collected during the remaining year of his third term, would not be enough to pay off the national debt that will have been incurred by the end of the present fiscal year, next June 30. For every dollar that he has collected in taxes, he has borrowed more than $1.50. For every dollar he has collected in taxes he has spent more than $2.30."

In the past 12 years, Roosevelt's three terms have cost the country the staggering sum of $369,791,-966,466, which is more than three times the $112,203,367,065 of taxpayers' money expended by all the Presidents of the United States from Washington to Hoover in 144½ years. Our war debt, which stood at $22,538,672,164 at the end of Hoover's administration has increased to $258,000,-000,000 during the last 12 years of Roosevelt's administration. The country's deficit of $209,718-985,689 for the Roosevelt administration contrasts with $20,617,-290,935 at the close of Hoover's administration. While it is true that the expenses of World War II are in part responsible for these vast expenditures, it is interesting to note, however, that no less than $67,518,746,013 was spent in the eight peace years (1934-1941) of Roosevelt's administration before this country entered World War II, thus exceeding the cost of Woodrow Wilson's World War I administration of $46,938,260,143 by $20,580,485,870.

The now dormant WPA cost the taxpayers of the United States almost $13,000,000,000 during its eight years' existence. From the start of its operation about 8,500,-000 persons were on the WPA rolls.

The International Monetary Stabilization Conference of 44 nations at Bretton Woods, N. H., will close its sessions Saturday. The "Chronicle" considered the Conference of such world-wide importance that we sent our own correspondent there to report the proceedings. For many weeks preceding the Conference, the "Chronicle" purposely published articles on Monetary Stabilization especially written for our columns by W. L. Hemingway, President of the Mercantile Bank & Trust Co., St. Louis, and former President of the American Bankers Association; Dr. Benjamin M. Anderson, former Economist of The Chase National Bank of New York and Professor of Economics at the University of California; Dr. Melchior Palyi, well known economist; Dr. Ivan Wright, Professor of Economics at Brooklyn College and formerly a special executive of the New York Stock Exchange, and other authorities. The proposals of this Conference, if approved by Congress and the legislative bodies of the other nations, will vitally affect the future course of business in this and all other countries after the war.

For a report and interpretation of the Conference's deliberations, we refer the readers of this column to our correspondent's dispatches printed elsewhere in today's issue of the "Chronicle" and also to our July 6th issue.

An international business conference has been called by the National Chamber of the Amer-

(Continued on page 311)

Johnston Urges Cooperative Industrial Effort Between United States And Russia

Post-war co-operative industrial effort between the United States and Russia, with American business giving the Soviet Union long-term credits to assist in her reconstruction is advocated by Eric A. Johnston, President of the Chamber of Commerce of the United States, who expressed his views on July 13, following his return the previous day after a visit to the Soviet Union where he conferred with Premier Stalin and other officials.

The foregoing regarding Mr. Johnston's views is from a Washington account July 14 to the New York "World Telegram" by Fred Mullen, United Press Staff Correspondent, who further indicated Mr. Johnston's comments as follows:

"A prosperous United States and a prosperous Soviet Union will go far toward preserving peace after the war," Mr. Johnston said. "I can see no reason why capitalist America and Communist Russia should not cooperate with each other."

He said the Russians were desirous of winning the war as quickly as possible and settling down to a "long period of peace."

"Premier Stalin," he said, "is completely desirous of rebuilding Russia and not engaging in world conflict."

Mr. Johnston said that cooperative effort by the two nations was entirely possible, because they had no conflict, with neither seeking territorial aggrandizement. Each, he said, could fill the other's needs in world trade.

The "ambassador" to Russia of American business stressed that by speaking of trade with Russia he was not forgetting the other friendly nations of the world.

Emphasizing Russia's need for long-term credits, Mr. Johnston said that they should be provided by American business, or if this were not practicable, the Federal Government should do it. He said he believed the debts would be paid off because "Soviet credits are as good as any in international trade."

Mr. Johnston said Russia needs American mining and industrial equipment, hydroelectric power machinery, roadbuilding machinery, ships, railroad equipment and technological assistance. The Russians, who "revere" production genius, look upon America as a symbol of productivity, he declared.

The Chamber of Commerce official said Russia could export to the United States such vitally needed raw material as copper, manganese, tungsten, platinum, cobalt, nickel, timber and "perhaps some agricultural products we don't produce domestically."

Mr. Johnston said that in his conversations with Premier Stalin and other Soviet officials he had said frankly that there should be no outside effort to foster the Soviet system in this country, and that on the other hand Russia was entitled to follow any system she desired without outside interference.

The New York "Journal of Commerce" in its advices July 13 from its Washington bureau reported that Mr. Johnston said that extension of Government credits might be made to the USSR through the facilities of the Import-Export Bank. He also said that he noted a definite trend toward nationalism throughout the various parts of the USSR that he visited, but added that he believed Russia would be more than willing to cooperate in any program which would assure world peace. Commenting that the Russian system of economy was entirely different from our own, Mr. Johnston said that he told Russian officials "quite frankly" that we did not want their system in this country.

On June 27 Mr. Johnston and Premier Stalin held a long conversation in the Kremlin, according to Associated Press advices from Moscow, which stated that the Premier gave his guest a statement praising American business, labor and agriculture for their contribution to the war.

The statement, which the Premier handed Mr. Johnston was reported as follows by the Associated Press:

"American business and American labor have done a remarkable job of production for the war. American agriculture also has performed unusually well. American machines of war and American food have contributed to the successes of the Red Army.

"The U. S. Government has played a major role in the development and coordination of this production and also in fostering cooperation between our two countries."

Mr. Johnston, it is added, said he was particularly surprised at what he termed "the deepness of the Marshal's knowledge of America, particularly its production. His knowledge is accurate and very complete."

The statement that "Siberia reminds me of my own country, it has a brilliant future," was made by Mr. Johnston in an interview with Tass, Soviet news agency, as he was returning to the United States, said the Associated Press from Moscow July 2, which also indicated Mr. Johnston as saying:

"Its cultural and economic development will depend on the determination of the nation, its outlook and the courage of the masses. What I've seen in Siberia convinced me that the Soviet people possess all those faculties."

Mr. Johnston predicted increasing economic relations between Russia and the United States. He stopped at Omsk after visiting Magnitogorsk and Sverdlovsk.

Mr. Johnston had been on an eight-weeks' visit to Russia; an address by him to Russian trade leaders on June 4 was referred to in our issue of June 8, page 2395.

Newspapers Praised For Co-operation In Bond Drive

Secretary of the Treasury Morgenthau and Ted R. Gamble, War Finance Director, have expressed enthusiastic recognition of the newspapers' cooperation in the successful $15,000,000,000 Fifth War Loan Drive, Frank Tripp, Chairman of the Allied Newspaper Council, said on July 11, according to Associated Press advices from Washington, in which it was further stated:

"Mr. Tripp, who made a preliminary report for the newspapers in a conference with the Treasury officials, said they paid particular tribute to news writers and editors.

"The newspaper representative said he is confident that final figures will show that the $6,000,000,000 individual quota has been exceeded and that every phase of the Fifth Loan will create a new record of public support of the war.

"'War Bond news and editorial support and sponsored advertising bid fair to equal or exceed the volume in earlier loans in spite of newsprint shortages,' Mr. Tripp said, 'and the record will show the greatest first-page support in newspaper history, even with the big war news demands and a national convention in the midst of the drive.'"

Now Earl Halifax

Lord Halifax, British Ambassador to the United States and member of the British War Cabinet, has received the title of Earl of Halifax, it was announced in Associated Press advices from London July 10.

U. S. And Mexico Agree On Economic Policies

Secretary of State Hull and Mexican Foreign Minister Ezequiel Padilla announced in a joint statement at Washington on July 12 that they had agreed on transportation and economic programs and found themselves "in complete accord on all questions discussed." This is learned from Associated Press advices from Washington, which appeared in the New York "Journal of Commerce," which went on to say:

Minister Padilla left by train today for Mexico after spending six days in the Capital talking with President Roosevelt, Hull and other officials.

"The statement said that the two governments had agreed that the United States would furnish technical assistance and equipment and supplies as far as possible to aid the Mexican Railway System.

"'To the limit of our wartime ability, every effort shall be made by the United States to continue to provide transportation facilities for the movement of essential goods to Mexico, while Mexico will make every effort, on her part, to reduce the strain on United States transportation facilities,' it was added.

"The two governments also agreed that regular shipping services, which had been interrupted by the war, shall also be resumed in order to lighten the burden on railway and highway facilities.

"A long-range program for economic development of Mexico was discussed, and Padilla and Hull announced that 'our two governments are substantially in accord in principle.'

"The program was drawn up by the Mexican-American Commission for Economic Cooperation which was formed as a result of President Roosevelt's meeting with President Avilla Camacho in Monterrey, Mexico, in May, 1943.

"The statement said that Padilla and Hull discussed the recommendations of the commission and that 'every effort will be made to secure as promptly as possible the materials necessary to implement these recommendations.'

"The two governments agreed to 'discourage trade barriers which may unduly interfere with the economic development of Mexico and trade between the two countries.'

"In the field of Inter-American political cooperation, an agreement was reached that the hemispheric cooperative system 'should be developed and expanded now and in the future for the continuing requirements of the present world crisis as well as for the needs of the post-war era.'

"'The exemplary cooperation which we have maintained during the war we are determined to maintain during the peace,' the statement said.

"Padilla and Hull said they discussed 'a number of matters of general interest to our two governments. We find ourselves in complete accord on all questions discussed.'

"They expressed a keen desire 'to continue the development of ever closer relations between Mexico and the United States.'"

President Of Chile Invited To Wash'ton By Roosevelt

It was made known on June 27 that President Roosevelt was sending word to President Juan Antonio Rios of Chile inviting him to visit Washington. Rodolfo Michels, Chilean Ambassador, indicated this, according to Associated Press accounts from Washington after a visit with the Chief Executive. Ambassador Michels, who is leaving soon for Santiago, where he will submit his resignation as envoy to the United States, said relations between the United States and Chile "never have been better."

GSB Graduates Bank Officers—Stonier Warns Against Democratic Totalitarianism

One hundred twenty-five bank officers from 26 states, who were graduated on June 30 at Rutgers University, New Brunswick, N. J., by The Graduate School of Banking conducted by the American Bankers Association, were urged not to take to totalitarianism "either lying down or by default" by Dr. Harold Stonier, director of the school, who gave the commencement address.

"As we close the first 10 years of this school we recognize that we have witnessed a decade of defeat for democracy," Dr. Stonier declared. "Even before the war," he said "country after country had abandoned democracy as a form of government where but a few years previously they had welcomed it with open arms. Democracy is the most difficult of all forms of government to maintain because it puts mental and spiritual burdens on the average man which he is often too careless or too lazy to assume. Democracies do not die from revolution; they simply cease to live from lack of attention," he stated. Dr. Stonier went on to say:

"Total war during the past decade has become the new enemy of democracy. Paradoxical as it may seem, total war which this democracy is now waging to defeat totalitarianism may become the instrumentality to kill democracy in the United States of America. Beyond a doubt, democracies dressed up in the uniform of totalitarianism will win this war. The question of the decade to come is: Will democracies throw away the clothes of totalitarianism? Democratic totalitarianism is not as obvious or as ruthless as totalitarianism under dictators, but in the end the results are the same. The individual loses the dignity of citizenship by the promise of personal economic security. That security he pays for by giving up his rights and responsibilities as a citizen and by becoming a fattened vassal of a superstate.

"That may be the wave of the future, but before we turn down that road let us urge our people to think. Let's not take even democratic totalitarianism lying down or by default.

"The decade ahead of us is a decade of determinism. The fate of America for centuries may be determined in the next 10 years. Above all, we need now in this country a renaissance of the kind of statesmanship and of individual political thinking which resulted in the writing of our charter of liberties—the Constitution of the United States of America. In this weary and war-torn world, it still stands as the last best hope on earth."

The two weeks' summer resident session of The Graduate School of Banking, which closed on July 1 completed the first decade of the school's life. The Graduate School opened in June, 1935. Its first commencement was in June, 1937. The exercises on June 30, were its eighth commencement. In these first 10 years of the school's existence 1,255 bankers have been graduated from its courses.

The men begin their studies with a resident session of two weeks each at Rutgers University. After a year of extension study of problems at home they return for a second two weeks on the Rutgers campus. After another year of extension study they go to Rutgers again for a final two weeks of resident study. If, in addition to the completion of this study work they write an acceptable and original thesis, they are graduated at the end of their third two weeks' tour at Rutgers.

In the class graduated on June 30, two men in military service were graduated in absentia. They completed all their work and wrote their theses despite the fact that they have been in the armed forces for some time. Diplomas were presented to the graduates by Raymond N. Ball, president, Lincoln-Alliance Bank & Trust Company, Rochester, N. Y., who is chairman of the Board of Regents of the school. A feature of the ceremonies was the announcement at their close of the prospective retirement at the end of August of Richard W. Hill, registrar of the school, who presided at the June 30 ceremonies. Mr. Hill was the long time national Secretary of the American Institute of Banking, has been registrar of the Graduate School since its inception in 1935, and Secretary of the American Bankers Association since 1937.

In our issue of July 6, page 111, reference was made to the announcement that Mr. Hill will retire as Secretary of the ABA on Aug. 31.

Life Insurance At Mid-Year Owned By Americans Estimated At $144 Billion

Life insurance owned by American families at mid-year is estimated to be $144,000,000,000 an increase of 20 billions since the start of the war and 5 billions since the first of the year, it was reported on June 30 by the Institute of Life Insurance.

"The increase of insurance in force for the year to date has been the largest for any similar period in history and brings the aggregate owned to an all-time high," the Institute said. "This year's gain has been due in part to the public's putting a greater amount of its wartime income into the purchase of new insurance, and in part to a further reduction in the lapse or surrender of existing policies to a record low rate. Reflecting the increasing contributions being made to the home front war economy by life insurance, both benefit payments and financing aid to the national economy are proportionately increased."

The advices from the Institute also state:

"Death benefit payments, in excess of $600,000,000 for the first half of the year, are up 10% from last year and are more than $100,000,000 greater than in the same period of pre-war 1941. This increase is in large part the result of the greater insurance in force, up 19% since mid-year 1941, and also in part to the slightly increased wartime mortality.

"Direct payments to living policyholders in the first six months total $534,000,000, which is 6% over last year. Calls for policy cash values have been about $115,000,000, down 27% from last year and 62% from pre-war, reflecting the improved circumstances of American families and the greater appreciation of life insurance during the war years.

"Aggregate half-year payments to policyholders and beneficiaries top $1,250,000,000, an increase of 2% over the first half of last year in spite of the sharp reduction in surrender value payments.

"Total assets are approximately $39,000,000,000 at mid-year, of which 38.5% or $15,000,000,000 is invested in U. S. Government securities, giving direct financial aid to the war effort. This single item has increased $4,000,000,000 from mid-year of 1943 and $8,000,000,000 since Pearl Harbor. Aggregate investments in business and industrial securities, real estate mortgages and Government bonds other than Federal, are about 1% under the 1943 year-end total and about 1% above the total at the time of the Pearl Harbor attack."

The Financial Situation

(Continued from first page)

Another Document

The Secretary of the Treasury made public another document the other day. It set forth the financial position of these United States at the close of business, June 30 last. Since these Bretton Woods schemes are by no means the only suggestions which would require the nation to contribute handsome, not to say fabulous, sums to all sorts of causes, it may be well to study this sobering statement of the Treasury with some care. It shows nothing essentially new, and certainly nothing surprising, but what it does make clear to the thoughtful student is very far from unimportant or irrelevant. We find that after having broken all records for spending lavishly for eight years immediately prior to our entry into World War II, expenditures during the past two fiscal years, that is, the years ended June 30, 1943 and June 30, 1944, amounted to the staggering sum of $172 billion. As a result of all this the national debt at the end of last month stood at $201 billion. Expenditures for the fiscal year into which we entered at the beginning of this month were estimated by the President at the first of the year at some $98 billion, which were expected to bring the public debt to $258 billion. How large this latter figure will be when the fighting is at an end, depends, of course, in considerable degree upon the date of final victory, but it can be safely assumed that it will be far in excess of anything any of us had ever dreamed of a short year or two ago.

Enormous Taxes

But that is not the full story. This debt has grown at this pace despite tax receipts the like of which are equally out of keeping with anything in our experience, probably anything in human experience. Total revenues during the fiscal year, 1943, were $23 billion. In the following fiscal period it will reach $45 billion. With tax collections of this magnitude it is clear enough that there will not be in the post-war period any enormous untapped source of revenue which can be used to provide the funds which the spending philosophers in and about Washington want to lay out when the war is over. Indeed he would be foolish indeed who supposed that—runaway inflation aside—that revenues approaching those of the past few years will be possible after the war without dealing business something close to a death blow. Such tax collections are evidently possible only because of the enormous flow of war business, and the application of rates which would be more than crippling in peace times.

The Banks

But now let us turn to other aspects of the position of the nation's Treasury. One of the most important concerns the banking system. Unfortunately figures setting forth the situation at the close of the fiscal year are not yet available, but those which are readily obtainable give the facts with startling clarity. On March 31 last, the commercial banks, that is the ordinary banks of the country (excluding mutual savings banks) owned $64 billion of cumulated Treasury deficit. The commercial banks of the country have, obviously, become largely investment institutions creating funds to carry government debt. And each dollar of such debt means an additional dollar added to the money supply. But that is not the whole story. So heavily are these institutions involved that despite the fact that they have steadfastly held to a policy of short term bonds, a substantial decline in the price of government obligations at any time in the future (so long as they remain so involved) can scarcely be viewed by them with equanimity.

There is more of somewhat the same sort. The Federal Reserve banks, the holders of the ultimate banking reserves of the nation, have increased their holdings of Treasury obligations since our entry into the war from $2.3 billion to $14.8 billion. Such purchases not only add directly to the money supply, but by reason of the position of the Reserve banks in our system of banking, such purchases by them of government obligations enormously increase the funds available to member banks to buy such obligations—and indirectly to the pressure exerted upon to buy them. And since all these Treasury obligations, regardless of their technical terms, are really long term in essence, the entire banking system is solidly frozen with unliquid assets.

On Short Term

Now for still another phase of this situation. Due to causes into which we need not enter here, short term interest rates have for a long while past been disproportionately low in relation to long term. That is to say short term obligations could be sold for disproportionately higher prices as compared with long term. The Treasury, accordingly, has been financing itself disproportionately with short term obligations for a long while past, until now an almost unprecedentedly large proportion of its outstanding debt is in short term form. Furthermore it has been selling so-called war savings bonds in large amounts to small investors. These instruments are not negotiable, but are payable upon demand upon the Treasury. Thus it is that at the end of the war the Treasury must be prepared at best to be refunding huge amounts of debt almost continuously, and at worst to find cash for the holders of war savings bonds in large amounts. Its prospects are certainly not of a sort to encourage complacency.

In light of all these and many other facts which might also be listed, one would suppose that of all people the public servant responsible for the management of the national Treasury would be the last to be eternally originating and sponsoring all sorts of schemes which would lay upon him the burden of finding huge funds for all sorts of purposes when the war is over.

Merit Decoration To Brig.-Gen. Wright

Brigadier General Boykin C. Wright of New York City was awarded the Legion of Merit decoration for his services to the War Department in a presentation by Acting Secretary of War Robert P. Patterson at his office in Washington on July 12. For the last year and a half General Wright has served as Director of the International Division of the Army Service Forces in Washington and has been in charge of military lend-lease activities of the War Department. Last fall, with other War Department officials, General Wright made an inspection trip by airplane throughout the South and Southwest Pacific, which included New Guinea and the Solomons. Recently General Wright was placed on inactive duty because of his health.

General Wright has received decorations in both World Wars. In World War I he served as a Captain and later as a Major of Infantry and received the Silver Star Medal for bravery in action. After the Armistice of 1918 he was attached to the Peace Conference in Paris as American Secretary of the Supreme Economic Council.

General Wright, a native of Georgia, commenced the practice of law in New York in 1920 and for many years has been a senior partner in the firm of Wright, Gordon, Zachary, Parlin & Cahill and its predecessor firm. General Wright is a director of the City Bank Farmers Trust Company and of other corporations.

The citation, which was read by General Somervell and presented by Acting Secretary Patterson, read as follows:

"For exceptionally meritorious conduct in the performance of outstanding services from March, 1943 to April, 1944. As Director of the International Division, Headquarters Army Service Forces, General Wright was charged with carrying out the difficult and important work pertaining to the War Department's responsibilities under the Lend-Lease Act and in making adequate provision for the needs of civilian populations in liberated and occupied areas of the world. Under his directorship military lend-lease became an important factor in cementing Allied forces, and all necessary plans were instituted to procure supplies for the civilian populations of liberated areas during the period of military responsibility."

Six Point Plan To Facilitate Settlem... Of Terminated War Contracts Propo... By NAM

A six-point plan to expedite the settlement of terminated war contracts was released July 3 by the National Association of Manufacturers' Advisory Group on War Contract Termination. Presented as a special supplement to the "NAM News," reaching NAM members on that date the plan urged:

"1. **Termination control centers:** Today 85% of the dollar value of all war contracts flows through a few hundred major war contracting centers. Insofar as possible these should be converted to control centers for termination purposes.

"2. **Direct settlement of subcontracts:** If suitable releases between buyers and sellers can be arranged without destroying contract identifications, a by-pass would be provided for direct settlement with the subcontractor by the procurement agency.

"3. **Settlement teams:** Banded units of accounting, disposal, legal and technical officers would be stationed at the control centers as required. The Baruch-Hancock Report recognizes this necessity.

"4. **Designated settlement agencies:** 'Contract center' companies would be assigned to a Designated Settlement Agency which would conduct negotiations, certify claims, authorize payments and perform other related functions.

"5. **Contractor settlement of limited subcontract claims:** Prime contractors and qualifying subcontractors would be authorized to settle nuisance, small or simple claims and thus eliminate unnecessary red tape, expense and delays.

"6. **Grouping of individual claims for single negotiation:** This would permit grouping of properly identified individual contract claims for purposes of renegotiation but would be restricted to situations where grouping is a short cut in paper work, an elimination of duplication and a reduction of negotiation and settlement time, agreed to by both the settlement parties.

Through its chairman, E. C. Brelsford, of Weston Electrical Instrument Corp., Newark, N. J., the group pointed out that in the course of negotiations between government settlement agencies and contractors, numerous specific procedures, appropriate to the type of business involved, may be developed which will further simplify and expedite the preparation and settlement of claims. The Committee believes encouragement should be given to development and utilization of such methods, provided they are adequately protective of the interests of both the government and the contractor in actual practice. Mr. Brelsford said:

"During the past few months this particular plan has been submitted for review to approximately 400 contractors and several branches of the armed services. Comments were carefully checked for suggestions and revision. Meanwhile, portions of the plan have been put into actual operation and are being observed as experiments.

"The group now feels that the full plan is ready for actual testing. Such preliminary experience is needed to assure satisfactory operation under actual conditions to meet the variety of situations which will exist. Early accumulation of testing experience should make it possible to prepare sound rules and regulations for adoption prior to the day that mass termination occurs. Experience with this plan may indicate the need not only for expanding its applicability, but also for extending the provisions to meet unusual circumstances, and as yet unknown impacts of termination."

In general, the NAM Advisory Group plan would speed up vertical settlements by coordinating settlement authority and assigning both negotiating and "team" officers to war contract centers. This, it is contended, would tend to develop the use of a streamlined program with uniform policies, furnish reasonably elastic procedures to unwind terminated contracts through a minimum number of procurement representatives, and utilize those who are organized and most familiar with the specific job at hand.

Mr. Brelsford's group points out that adoption of this plan need not disrupt existing termination procedures where no advantage would be gained. Also, the application of the plan would tend to bring quickly to the fore the "problem cases," thereby enabling special government attention where most needed.

The NAM Advisory Group on War Contract Termination, headed by Mr. Brelsford, is composed of E. W. Ackerman, Thompson Products Inc., Cleveland, O.; Norman R. Althauser, Aluminum Co. of America, Pittsburgh, Pa.; C. N. Barney, Worthington Pump & Machinery Corp., New York, N. Y.; W. S. Bowser, Blaw-Knox Co., Pittsburgh, Pa.; W. E. Dever, Ordnance Planning Division, International Harvester Co., Chicago, Ill.; J. G. Farrar, General Electric Co., Schenectady, N. Y.; Charles R. Fountain, Sperry Corp., New York, N. Y.; J. D. Greensward, Allis - Chalmers Manufacturing Co., Milwaukee, Wis.; Howard E. Isham, United States Steel Company of Delaware, Pittsburgh, Pa.; C. S. Johnson, Western Electric Co., New York, N. Y.; J. M. Lambert, York Corp., Washington, D. C.; G. A. Price, Westinghouse Electric & Manufacturing Co., Pittsburgh, Pa.; Frederick B. Schell, Jr., The Firestone Tire & Rubber Co., Akron, O.; and George M. Tisdale, United States Rubber Co., New York, N. Y.

Receives New Envoys

President Roosevelt on July 12 received the credentials of three new Ambassadors, representing Portugal, Peru and Ecuador, and in response to the remarks of one he declared that "the most terrible phase" of the war is still before us and that we must expect "great suffering and enormous sacrifices before the inevitable victory is won." The foregoing is from advices to the New York "Herald Tribune" from its Washington bureau, which went on to say:

Mr. Roosevelt made the statement to Don Pedro Beltran, who presented his letters of credence as the Ambassador of Peru. He also received Dr. Joao Antonio de Bianchi, Portugal's new Ambassador, and Galo Plaza, Ecuador's new representative in the United States.

After hearing Ambassador Beltran declare that "the days are gone when governments could believe that the welfare of their own people could be realized by independent and isolated action on their part," Mr. Roosevelt replied, that in the days ahead he was confident of "the sympathetic assistance and support of Peru."

The new Portuguese Ambassador told Mr. Roosevelt that the raising to Ambassadorial rank of the respective diplomatic missions of the two nations "is a significant and gratifying proof of the ever closer relations existing between our two countries."

Summary Of Legislation Passed At Session Of Congress Which Recessed June 23

A summary of the major legislation passed by the 78th Congress, Second Session, Jan. 11-June 23, 1944, appears in the "Congressional Record" of July 7. The summary was presented in the Senate on June 23 by Senator Alben W. Barkley of Kentucky who in submitting it, stated:

"The major legislation enacted by the Seventy-eighth Congress, second session, is devoted to the inseparable aims of winning the war and assuring the peace to follow.

"In achieving a stable and permanent post-war economy to which our men now far from their homes may return, the Congress and the administration have worked in unity and with singleness of purpose. The first great initial steps easing the demobilization of our fighting forces have been taken in the Vocational Rehabilitation Acts of 1943 and in the Mustering-out Pay Act of 1944, and the G. I. bill of rights of 1944. These are among the most important of a series of laws with other outstanding legislation which have been passed and which will be passed to aid the veterans in their return to normal peacetime pursuits and economic security.

"The domestic front has not been forgotten; laws have been passed in this session providing aids to agriculture and industry, as well as to the individual citizen. The income tax has been simplified for the vast majority of taxpayers of this Nation.

"Though the job of waging war is not yet finished, the final victory is clearly ahead. But the job of securing the peace is only just begun. We have thus dedicated ourselves to a lasting peace and to an economically sound nation and world so that men of good will may in freedom create an era of greater understanding and of broader social and economic progress."

It will be noted that among the new legislation cited is an Act authorizing the Post Office Department to issue and pay money orders not exceeding $10 to be known as postal notes and costing 5 cents each, and permitting the Post Master General to decrease or increase the fee for the service to not less than 3 cents nor more than 6 cents as may be necessary.

Senator Barkley's summary follows:

Agriculture—Commodity Credit Corporation

(Approved Feb. 28, 1944. Public Law 219, 78th Cong.)

On February 28 the President approved the act of Congress continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945. The Commodity Credit Corporation had been created by Executive Order 6340 on Oct. 16, 1933, as a lending institution for financing, carrying, and orderly marketing of agricultural products.

Farm Workers

(Approved Feb. 14, 1944. Public Law 229, 78th Cong.)

Requiring 600,000 additional farm workers to meet the food requirements of the United States and the United Nations during the year it was necessary to provide for importing additional foreign workers to supplement the work of our own farmers. Accordingly Congress passed and the President signed on February 14 the joint resolution appropriating an additional $30,000,000 to that already appropriated in Public Law 45, Seventy-eighth Congress.

Army—Appropriation

(Approved June 28, 1944. Public Law 374, 78th Cong.)

The President approved on June 28 the War Department appropriation passed by Congress providing $49,000,000,000 for the prosecution of the war. Of this amount, $15,434,814,000 was in new appropriations and $33,000,000,000 in reappropriations.

Army Nurse Corps

(Approved June 22, 1944. Public Law 350, 78th Cong.)

On June 22 the President approved the act of Congress providing for appointment of members of the Army Nurse Corps, and certain other female persons having the qualifications necessary for such appointment, as officers in the Army of the United States. This was an aid to the performance of medical duties by the nurses serving abroad or at home in giving them recognition and official standing within the Army.

Glider Personnel

(Approved July 1, 1944. Public Law 409, 78th Cong.)

The Congress passed on June 22 and the President signed on July 1 the act providing that officers, nurses, and enlisted men required to take part in regular and frequent glider flights, shall receive an increase of 50% of their pay not exceeding $100 per month for officers and nurses and $50 per month for enlisted men.

Civilian Pilots—The Civilian Pilot Traning Act of 1944

(Approved June 30, 1944. Public Law 391, 78th Cong.)

The Civilian Pilot Training Act of 1939 was extended for 2 years by act of Congress approved by the President on June 30. This act provided an assured reserve of experienced and trained pilots for war and peacetime needs of the Nation.

Health—Public Health Service

(Approved July 1, 1944. Public Law 410, 78th Cong.)

On June 23, Congress passed and the President approved on July 1 the act consolidating and revising the laws relating to the Public Health Service. Under the provisions of this act a more effective health service for civilians and the armed forces is achieved by consolidating under the Public Health Service (1) the office of the Surgeon General; (2) the National Institute of Health; (3) the Bureau of Medical Services; and (4) the Bureau of State Services. Reorganization of the various bureaus and divisions is authorized under this act; general powers and duties are prescribed as to research and investigations, Federal-State cooperation, hospitals, medical examinations, and medical care. The broad advances in medical research made during the war and carried out through numerous agencies, public and private, can be brought together and made of universal availability after the war in this consolidation of public agencies. The National Cancer Institute becomes a division of the Public Health Service under the provisions of this act.

Lend-Lease and United Nations Relief and Rehabilitation—Appropriations

(Approved June 30, 1944. Public Law 382, 78th Cong.)

The Lend-Lease-U. N. R. R. A. Appropriation Act was passed by Congress and signed by the President on June 30. Appropriations for lend-lease and for the work of the United Nations Relief and Rehabilitation Administration totaled $3,800,000,000. The increased tempo of the war and the successful operations opening the campaign for the liberation of Europe necessitated large appropriations by this Nation as its share in the work of beginning the reestablishment of normal economic and social conditions in the occupied countries.

Lend-Lease Extension

(Approved May 17, 1944. Public Law 304, 78th Cong.)

The operation of Lend-Lease Act universally considered to be vital to the prosecution of the war was extended for 1 year by act of Congress approved by the President on May 17.

United Nations Relief and Rehabilitation Administration Act

(Approved March 28, 1944. Public Law 267, 78th Cong.)

Congress passed and the President signed on March 28 the United Nations Relief and Rehabilitation Administration Act authorizing an appropriation of $1,350,000,000 as the share of the United States in the work of the United Nations in providing aid and relief for the people of the occupied countries after retreat of the enemy and in assisting the occupied countries to effect the return of their refugees and prisoners of war and reestablish industries and agriculture. All the United Nations agreed to share in the cost of this organization and its work.

Navy Appropriations

(Approved June 22, 1944. Public Law 347, 78th Cong.)

The President approved on June 22 the act of Congress appropriating $27,569,798,301 for the Navy for the fiscal year 1945. Almost $5,000,000,000 is included for aviation, and authorization is made for future contracts of $3,600,000,000 to be made prior to July 1 1945 for new aviation construction. $6,500,000,000 is provided for replacement and construction of vessels.

Landing Craft

(Approved May 31, 1944. Public Law 322, 78th Cong.)

In anticipation of the requirements of the then impending assault on Europe, Congress passed and the President signed on May 31 the act authorizing conversion and construction of 1,000,000 tons additional of landing craft and district craft.

Navy Nurse Corps

(Approved Feb. 26, 1944. Public Law 238, 78th Cong.)

On February 26 the President signed the act passed by Congress giving all members of the Navy Nurse Corps entitled to relative rank the actual corresponding rank. In this way the handicap between relative and actual rank was removed for the duration of the war and 6 months thereafter.

Philippine Islands Independence

(Approved June 29, 1944. Public Law 380, 78th Cong.)

The Senate joint resolution outlining and defining the policy of Congress on the future independence of the Philippine Islands was approved by the President on June 29. The President is authorized to declare the independence of the Philippines as soon as normal constitutional processes are restored and prior to the date, July 4, 1946, previously set by law.

Rehabilitation

(Approved June 29, 1944. Public Law 381, 78th Cong.)

In order to aid in the rehabilitation of the Philippine Islands and to hasten their independence, Congress passed and the President approved on June 29 the act providing for the Filipino Rehabilitation Committee. The Committee is authorized to investigate and recommend solutions on all matters pertaining to post-war economy, trade, finance, and economic stability in the islands.

Post Office—Postal Notes

(Approved June 28, 1944. Public Law 370, 78th Cong.)

On June 28 the President signed the act of Congress authorizing the Post Office Department to issue and pay money orders not exceeding $10 to be known as postal notes and costing 5 cents each. The Postmaster General is authorized to decrease or increase the fee for the service to not less than 3 cents and not more than 6 cents as may be necessary. Since 70% of all postal money orders issued are for sum of $10 or less, the low fee set by Congress represents a saving to the millions of persons served by the 43,000 post offices of this Nation.

Price Control

(Approved June 30, 1944. Public Law 383, 78th Cong.)

The President on June 30 approved the act of Congress amending and extending the Price Control Act of 1942 and the Stabilization Act of 1942. These acts had been passed and had successfully operated against the national dangers of inflation. In signing this act the President stated that Congress had performed a signal service and had made clear that it was the wish of all that the line against inflation should be held.

Real Estate

(Approved July 1, 1944. Public Law 401, 78th Cong.)

By act of Congress passed on June 22 and approved by the President on July 1 individual purchasers of real estate by contract under the programs administered by the Resettlement Administration and Farm Security Administration, were enabled to make prepayments of any portion of the balance if the contract had been in force for 5 years. Purchasers were thus able to effect savings in interest by reducing the balance and thereby the length of time which such contracts were entitled to run with interest payments.

Soldiers' and Veterans' Benefits G. I. Bill of Rights

(Approved June 22, 1944. Public Law 346, 78th Cong.)

The Congress passed and the President on June 22 signed the act providing aid for readjustment to civilian life of veterans of World War No. 2. This was the so-called G. I. Bill of Rights. Provision was included for up to 52 weeks of unemployment compensation at the rate of $20 per week, with adjusted compensation for self-employed veterans restoring themselves to business rather than seeking employment from others; guarantee of 50% of loans up to $2,000 with interest of not more than 4% for veterans establishing homes or businesses; $500,000,000 was appropriated for increasing veterans facilities, including hospitals, and strengthens assistance for finding employment through the United States Employment Service; for education and training individual grants are provided of $500 per year plus monthly subsistence pay of $50 for single veterans and $75 for married veterans. This act is the basic law for further appropriations designed to finance the great task of returning the members of the armed services to civilian life.

Mustering-Out Pay

(Approved Feb. 3, 1944; Public Law 225, 78th Cong.)

On Feb. 3 the President signed the act of Congress providing for mustering-out-payments of $300 for persons who had performed active service outside the continental limits of the United States; $200 for persons who have performed active service for 60 days or longer within the continental limits of the United States; and $100 for persons who have performed active service for less than 60 days. These payments were in addition to other benefits.

Pay Increase

(Approved June 30, 1944; Public Law 393, 78th Cong.)

Congress passed and on June 30 the President approved the act providing for a pay increase of $5 per month for any enlisted man entitled to wear the expert infantryman badge and $10 per month for those entitled to wear the combat infantryman badge.

Pensions

(Approved May 27, 1944; Public Law 313, 78th Cong.)

Under the act passed by Congress and signed by the President on May 27, pensions were increased for veterans suffering from permanent total non-service-connected disabilities from $40 to $50 per month, and in some cases increase was authorized to $60 per month.

Soldiers' Vote Act

(Became law Apr. 1, 1944; Public Law 277, 78th Cong.)

On Apr. 1 the Soldiers' Vote Act of 1944 became law. This law provides for absentee voting by members of the armed forces overseas by Federal ballot only in cases where the State ballot had been requested but not received by Oct. 1. Controversy on the subject of the Federal ballot as it might affect State's rights had forced a compromise. The President had wired all State governors requesting information as to the extent soldiers might vote under the existing State law and whether the governors were disposed to call sessions, where necessary, to change existing law so that the soldiers might be enabled to vote in States where a change in law would be required. Answers proved to be widely divergent, half of the States were reported to be adverse to the use of the Federal ballot.

Taxation

(Approved July 3, 1944. Public Law 415, 78th Cong.)

On June 22 the Congress passed and the President signed on July 3 the act amending the Soldiers' and Sailors' Civil Relief Act of 1940 by providing that personal property, income, or gross income of persons in military service shall not be subject to State or local taxes by reason of temporary residence; receipt of income, gross income; temporary location of personal property, within any such State or Territory. This act afforded to men in service relief from double taxation by State and local agencies.

Taxation Income Tax

(Approved May 29, 1944. Public Law 315, 78th Cong.)

Congress passed and on May 29 the President approved the Individual Income Tax Act of 1944 which provided for simplification of the individual income tax beginning with 1944 and established a graduated rate of withholding at the source of income so that the entire tax liability on incomes up to $5,000 would be included in the portion withheld.

Revenue

(Became law Feb. 25, 1944, Public Law 235, 78th Cong.)

The Revenue Act of 1943, which became law Feb. 25, contains provisions for a simplified form of tax return; tax exemption for mustering-out-payments for the armed services; altered renegotiation of war contracts procedure; and a provision requiring labor unions, farm cooperatives and other non-profit organizations to file statements of financial returns with the Secretary of the Treasury.

War Contracts—War Contract Settlement

(Approved July 1, 1944. Public Law 395, 78th Cong.)

The War Contract Settlement Act of 1944 was passed by Congress on June 22 and approved by the President on July 1. Provision is made for setting up the Office of Contract Settlement with

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The State Of Trade

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ican Chamber of Commerce, also the American section of the International Chamber of Commerce, also the National Association of Manufacturers and also the National Foreign Trade Council to meet in Atlantic City, November 10-18. The range of discussion will include the major economic problems, including the maintenance of private enterprise, commercial policy of nations, currency relations among nations, encouragement and protection of investments, industrialization in new areas, shipping policy, aviation policy, world material of supply and cartels. The conference will devote itself to a free interchange of views without necessarily endeavoring to arrive at resolutions or common declarations of policy. It is through the discussion of such problems that a better basis of world relations and world trade will be established. Invitations have been sent to business groups for the allied and neutral countries. Conference headquarters have been opened at 10 Rockefeller Plaza, Room 716, New York City.

Contrary to general predictions, there will be no wild rush of spending by the public when the war ends, if some surveys recently made by private and government agencies prove to be correct. One survey made by the Office of Civilian Requirements indicates an orderly market for consumer durable goods after the war. According to the OCR findings, there will be no rush to buy electric refrigerators, washing machines and other household gadgets. The survey indicates further that the public discreetly plans to do the bulk of its buying out of income. The American public is credited with the largest amount of savings ever held by the people of one nation. For Dec. 31, 1943, the savings bank deposit totaled $30,725,252,000. Fewer than 20% of the persons interviewed plan to use their wartime savings for postwar spending and further 56% of the persons questioned stated that they would buy none of the eleven listed appliances even if they were available. Of the intending purchasers most of them wanted a washing machine first and next in order were electric irons, mechanical refrigerators, cooking stoves, electric toasters, radios, vacuum cleaners, and sewing machines. Heating stoves, electric fans and water heaters came next in order. The OCR study also revealed that nine to 11% of the families interviewed intended to use their savings for buying or building a home before making purchases of durable merchandise. Dr. Reavis Cox of the University of Pennsylvania, who conducted a research for the Retail Credit Institute in consumer credit, doubted "very seriously the validity of assuming that the war-time accumulation of liquid assets is going to be poured out in an unbridled rush to buy. Consumers after this war are going to feel many pressures other than hunger for goods," he believes. "Many of these pressures will tend to make them hold on to their liquid assets rather than dissipate them in a quick wave of buying. First among these unquestionably is economic insecurity. . . . Even those consumers who do not feel particularly insecure will have many reasons to hold back on spending. Many of them doubtless will want to hold their savings for some future larger expenditure, such as the purchase of a home or education of their children, or for some unspecified future rainy day."

The local offices of the War Department Procurement Bureau will soon have available a new booklet, "The Contractor's Guide," which is designed to promote speedier settlements of terminated contracts. The book is written in non-technical language and is intended to answer the major questions confronting war contractors and sub-contractors.

Senator Harry F. Byrd of Virginia is urging and demanding immediate dismissal of 300,000 of the 3,000,000 or more civil government employees. Senator Byrd calls the administration's failure to reduce its personnel "little short of a national shame" and threatens to call up a resolution when Congress reconvenes after the adjournment of the Democratic convention. Senator Byrd estimates a saving of at least $700,000,000 in taxes annually and says that the unneeded 300,000 government employees could be released for vital work.

The Department of Commerce states that manpower shortages persist in some individual plants "but the general trend is downward." War industries are losing workers at an average of 100,000 a month and jobs in non-war activities are said to be declining at the rate of almost 50,000 monthly.

Last Saturday, July 15, the WPB issued orders to release aluminum and magnesium for the production of civilian goods for the first time since 1942. The orders are the first in a series of four steps by which WPB expects to inaugurate the reconversion policies that Donald M. Nelson, the chairman, championed in his recent contention with the military and Naval authorities. The orders, however, were issued with the proviso that the manufacturing of aluminum and magnesium products must not interfere with the use of manpower, materials or facilities needed in our war production program.

Weekly Summary—A brief review of the principal business indices for last week indicates that the long Independence Day weekend holiday materially slowed up industrial production. In many cases, workers and business people extended their week-end and absented themselves in whole and part, departing from their occupations Friday night, June 30, and remaining away until Wednesday morning after the Tuesday, July 4, holiday. This long week-end holiday cut down the week's results in several industries. The electric power industry was drastically affected, bringing about the sharpest week to week decline in power output in the history of the industry, attributed to the mass holiday by the employees of the country's war plants and non-war industrial plants.

Freight carloadings were hit wtih a 17% decrease, steel production averaged about the same results for the week, anthracite and bituminous coal reported heavy cuts, oil production was about the same, paper production was only 53.8% of capacity and cardboard 60% due to mill shutdowns for vacations and repairs. Department and retail stores were able to show an increase in sales in spite of the long week-end holiday.

Automobile Industry — Representatives of nine leading automobile manufacturing concerns told War Production Board officials at a meeting held July 14 in Washington that inasmuch as the industry is too busy with war work and was suffering from a shortage of trained engineering personnel they could not take advantage of a WPB order to be issued July 22 which will authorize the manufacture of experimental models of post-war products. The industry also rejected the so-called "blue order" plan which would permit them to place orders for materials and parts that are still restricted to war uses. There is a feeling among the WPB officials that the automobile companies' indifference to the two reconversion orders is not due to the extent of their war work but more for the reason that Donald M. Nelson had stated that resumption of civilian goods manufacture cannot wait until all plants are ready to start together at the same time according to the officials of the WPB. There is an unwritten agreement in the industry that all concerns will start producing autos at the same time.

Steel Production — The American Iron and Steel Institute announced last Monday that the operating rate of steel companies (including 94% of the industry) will be 97.2% of capacity for week beginning July 17 compared with 95.7% one week ago. This week's operating rate is equivalent to 1,741,800 tons of steel ingots and castings and 1,702,200 tons one year ago.

That old time and respected steel authority "The Iron Age" sums up its review of the steel industry for last week with these interesting observations:

"While the War Production Board, the armed forces and the steel industry focused attention on the lagging ingot rate this week, steel output barely resumed the same rate of activity which took place in the pre-holiday week. Discussions in Washington last week led to the conclusion that unless the manpower situation in the steel industry was alleviated there was little chance that the industry could operate at its maximum capacity. Added to this factor was the abnormal hot weather throughout the country which some sources claim has been responsible for the major part of the drop recently in raw steel output. . . . Not mentioned in official quarters but nevertheless an important adjunct to the declining steel ingot rate has been the increase in the number of so-called outlaw or 'quickie' strikes in the steel industry. While the actual production loss due to these work stoppages is only a small per cent of the total steel output the effect of these unauthorized strikes is to disrupt completely the intricate steel scheduling mechanism in the industry." . . . Iron Age" states that steel ordering has increased notably during July but at the same time some sales offices feel that pressure from consumers is reducing rather than increasing as might be expected along with the large orders. This hesitancy on the part of steel users is predicated on the belief that inventories and shipments should be more closely geared with actual production than was the case several months ago before the invasion of Europe became a fact. . . . Plate demand this week continues higher and the Maritime Commission has been authorized to enlarge its orders for September delivery by a considerable number of tons. . . . "Iron Age" has received news from Detroit "that a new tank program involving the overhauling and modernizing of 2,000 30-ton tanks has been launched. Chrysler Corporation at Evansville, Ind., which has been making cartridges, will be able to use at least 2,500 workers on the tank program and has promised the completion of the overhauling on 1,000 tanks by the end of 1944. The balance of the order is expected to be completed in the first quarter of 1945. . . . "Movement of scrap iron and steel is sluggish throughout the country, except in the Buffalo area, which is receiving barge shipments from metropolitan New York. The dull market is caused by the reluctance of steel mills to take on inventories of scrap at ceiling prices when an early termination of the war in Europe may cause cancellation of government contracts and depress scrap prices." According to "Iron Age," the national steel ingot rate this week is estimated at 96% of capacity, up one point from last week's 95%.

Electric Production — The Edison Electric Institute reports that the output of electricity decreased to approximately 3,940,854,000 kwh. in the week ended July 8 from 4,327,359,000 kwh. in the preceding week. The latest figures represent a gain of 0.5% over one year ago, when output reached 3,919,398,000 kwh. The decline of 386,505,000 kwh. in electric consumption in the week ended July 9 was the sharpest week to week drop in power output in the history of the electric utility industry. The drop carried output to the lowest level since this time a year ago. The decline was attributed in industry circles to the mass holiday for the country's war plants and other industrial companies over the long Independence Day week end. The severest decline took place in the New England area where some cities showed a 50% decline in electricity consumption.

Consolidated Edison Company of New York reports system output of 143,900,000 kilowatt hours in the week ended July 9, 1944, and compares with 177,700,000 kilowatt hours for the corresponding week of 1943, or a decrease of 19.0%.

Local distribution of electricity amounted to 142,000,000 kilowatt hours, compared with 173,500,000 kilowatt hours for the corresponding week of last year, a decrease of 18.2%.

R. R. Freight Loadings — Carloadings of revenue freight for the week ended July 8 (which included the July 4 holiday) totaled only 745,141 cars, the Association of American Railroads announced. This was a decrease of 152,659 cars, or 17% below the preceding week this year, and a decrease of 63,489 cars, or 7.9%, below the corresponding week of 1943. Compared with a similar period in 1942 (which did not include the July 4 holiday), a decrease of 110,017 cars, or 12.9%, is shown.

Coal Production—The U. S. Bureau of Mines reports production of Pennsylvania anthracite for week ending July 8, 1944, as 882,000 tons, a decrease of 405,000 tons (31.5%) from the preceding week, or a decrease of 363,000 tons (19.2%) for the corresponding week of 1943. The 1944 calendar year to date output of 34,200,000 tons, compares with 30,960,000 tons for the corresponding period of 1943.

The report of the Solid Fuels Administration placed bituminous production for the week ended July 8 at 8,655,000 net tons (no cars of coal were loaded July 4, Independence Day), against 12,050,000 tons in the preceding week and 11,076,000 tons in the July 10 week of last year while output for Jan. 1 to July 8 totaled 329,735,000 tons, as against 300,363,000 tons in the same 1943 period and 234,200,000 tons for the Jan. 1 to July 10, 1937, period.

The country faces a coal shortage of 5,000,000 tons of domestic sizes of anthracite and 16,000,000 tons of bituminous this winter if Secretary Harold Ickes' prediction is correct. Consumers in Virginia, West Virginia, North and South Carolina, Florida, Georgia, Michigan, Wisconsin, Minnesota, North and South Dakota will be limited to a nine-tenths of normal supply, a survey reveals. A cut of one-eighth will be necessary in New England and Middle Atlantic States. The shortage is caused by military requirements and manpower losses. The supply of fuel wood will also be short with production estimated at 60,000,000 cords compared with requirements of 71,000,000 cords.

Lumber — In its quarterly report, The Lumber Survey Committee of the industry announces that the over-all demand for lumber will continue to equal or exceed production for the remainder of 1944. Consumption in first quarter of this year was nearly 7% greater than production. Manpower and equipment shortage continue to deter log and lumber production.

Oil Industry — The American Petroleum Institute reports that refiners operated at 94.6% of capacity week of July 8 against 94.5 in previous week July 1 and produced 13,539,000 barrels of gasoline, comparing with 13,026,000 the week before and 11,192,000 in the like 1943 period. Nationwide stocks of gasoline in storage increased 150,000 barrels to 83,709,000 barrels July 8 comparing with 76,668,000 barrels on July 10 a year ago. Light oil stocks increased 829,000 barrels during the week to 36,189,000 barrels July 8 comparing with 33,221,000 a year ago while supplies of heavy fuel oil gained 1,451,000 over the previous week totaling 53,686,000 barrels on July 8 comparing with 66,681,000 on hand a year ago.

Paper Production — Paper production for the week ended July 8 was cut by shutdowns of mills for vacations and for repairs. Operations were at the rate of 53.8% of capacity as against 89.5% the preceding week, the American Paper & Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 60% of capacity, against 95% in the preceding week and 92% in the comparative week last year. For the week ended July 10, last year, the rate was 66.2% when there was similar curtailment due to vacations and repairs.

Pulp outlook improves but WPB is not ready to make the fourth quarter quotas of news print and possibilities of enlarging publishers' quotas are still uncertain. Increasing military requirements for wood pulp and paper make it impossible for WPB to make any advance commitments on fourth quarter quotas. According to the News Print Bureau total North American newsprint production was 330,005 tons in June comparing with 347,204 tons in May, or 348,657 for June, last year. Shipments of 359,885 tons this year contrasts with 372,308 tons June, 1943. Canadian production last month was 246,864 tons and shipments 268,213 tons. U. S. Mills produced 61,106 tons and shipped 60,648. For first six months this year North American production totaled 1,959,402 tons, an increase of 10,158 tons over the same 1943 period. Newsprint stocks July 1 were as follows: Canadian mills 76,028 tons, U. S. mills 7,374 tons, New Foundland mills 47,554 tons, a grand total of 130,956 tons which compares with 160,836 tons May 31, 1944, and 142,548 tons June 30, 1943.

The American Newspaper Publishers Association is authority for the statement that the daily newspapers in the U. S. consumed 16.1% less newsprint paper in the first half of this year than during the first six months of 1943, or 20.4% less than first half of 1941. Reporting newspapers (constituting 75% of newspaper users) consumed 1,168,525 tons from Jan. 1 to June 30 this year, or 1,558,033 tons were consumed by all types of papers during same period.

Dept. & Retail Store Sales—Department store sales on a countrywide basis, as taken from the Federal Reserve Board's index were 2% ahead of a year ago for the week ending July 8 despite the fact that many stores were closed for two days over the Independence Day holiday while the previous week (ending July 1) showed a 11% gain over the corresponding week in 1943. A 7% increase in department store sales for the year to July 8, 1944, over 1943 was noted. According to Federal Reserve Bank's index, sales in New York City for the weekly period to July 8 increased by 3% over the same period of last year. For the four weeks ending July 8 sales rose by 11%, and for the year to July 8 they improved by 7%. A preliminary estimate by the Federal Reserve Bank indicated that New York depart-

ment store sales were 14% larger for week ended July 15 over similar 1943 week and sales show a 15% gain for the four weeks ended July 15 over same comparative period last year.

The New York "Times" reports that retail trade is resuming its normal seasonable pattern and states that larger gains over a year ago were recorded for most areas following the long Independence Day week-end holiday during which many customers left town Friday night and returned home Wednesday morning. Customer interest is being developed in early fall merchandise, particularly in women's suits. Furs are near top on the retailers calendar but customer reaction to the new 20% Federal tax will be watched with more than usual interest. While retailers are more cautious accepting substitute merchandise and are said to be holding down their commitments to more reasonable periods, nothing has developed so far to shake confidence in brisk retail trade during the coming fall season, says the "Times."

Chain Store & Mail Order Sales—Compared with May a year ago, the Department of Commerce reports a rise of 9% in the volume of chain store and mail order sales to $1,295,000,000 for May this year. The 9% gain for May sales is the largest year to year gain for any month this year. Gains in non-durable goods sales were three times the indicated gain made by the durable goods stores, which ranged from 33% for women's apparel stores to a 4% decline for automobile accessories stores. The apparel stores headed the gains for all groups of stores with a 29% increase in sales, or nearly 3 times the gains for the stores selling other classes of chain store and mail order merchandise.

Security Markets—In summarizing last week's markets, Alexander Dana Noyes, the Dean of Wall Street writers, and the Financial Editor of the New York "Times," wrote the following interesting observation in his last Monday column, "The Financial Week":

"The market's action is entirely natural; it follows the pattern of 1918, even as late in that year as September, less than a month before Germany's surrender. It was not alone selling to take profits, or midsummer war hesitation which then made even Marshal Foch warn that the Allies 'might miss the 1918 train'; but as the end of war apparently drew near, post-war uncertainties became more visible."

Last week (ending July 15) stocks on the New York Stock Exchange advanced in selective fashion to new highs for the year with intermittent declines attaining their highest level toward the end of the week. Bonds were generally higher with averages at best levels on record. The week's volume, 7,486,246 shares and bond transactions amounted to $55,051,000. On New York Curb Exchange last week 2,436,730 shares were traded and bond sales totaled $3,706,000.

National Income—Last Friday, the Dept. of Commerce reported national income payments up 12% to $62,181,000,000 for the January to May period this year over 1943, contrasting with $28,143,000,000 in the first five months of 1939.

UNRRA Council To Meet

The second session of the Council of UNRRA will open in Montreal on Sept. 15, it was announced on July 3, as indicated in Washington advices to the New York "Times" which added:

"The session originally had been scheduled for June 23 but was postponed because of the restrictions on travel and communications from the British Isles preceding D-day, a ban which has now been lifted."

N. Y. State Bankers Association To Study Work Of Bretton Woods Conference

Appointment of a committee to study international monetary problems and the possible effects on United States and world economy of the work and actions of the Bretton Woods Conference, was announced today by C. George Niebank, President of the New York State Bankers Association, who is also President of the Bank of Jamestown, Jamestown, N. Y.

Members of the committee are William C. Potter, Chairman of the executive committee, Guaranty Trust Company; George Whitney, President of J. P. Morgan and Company; Gordon S. Rentschler, Chairman of the board, National City Bank of New York; Percy H. Johnston, Chairman of the board, Chemical Bank and Trust Company; D. S. Iglehart, director of the Grace National Bank and President of W. R. Grace and Company, and Charles H. Diefendorf, President, Marine Trust Company, Buffalo.

"The monetary committee, whose appointment was confirmed yesterday at a special meeting of the executive committee of the New York State Bankers Association, will hold its first meeting late this summer," Niebank said. "Its purpose will be to study the report of the Bretton Woods conference and to transmit its findings to the members of this association.

"I am satisfied that this committee, comprised of men who are thoroughly familiar with foreign trade and the relationship of international monetary problems to commerce, should provide an enlightening study for the use of commerce, industry and broad public interest," Niebank said.

"The New York State Bankers Association," Niebank added, "will undertake to study the conference's findings without regard to prejudices that may now exist in banking and elsewhere. The committee's approach will be a completely fresh one, and its objective will be to evolve a report which embodies realistic, practical suggestions, but which at the same time recognizes the difficulties inherent in the problems faced by the conference, the worthwhile character of its objectives, and the praiseworthy spirit of cooperation that made it possible."

Members of the Executive Committee of the Association besides Mr. Niebank are Bernard E. Finucane, President of the Security Trust Company, Rochester; William J. Ahern, Assistant Vice-President of the Bank of the Manhattan Company, Brooklyn; E. Chester Gersten, President of the Public National Bank and Trust Company, New York City; Herbert J. Kneip, President of the National Commercial Bank and Trust Company, Albany; William Gray, Jr., President of the Central Hanover Bank and Trust Company, New York City; Arthur M. Roberts, Vice-President of the Herkimer County Trust Company, Little Falls, and Ernest H. Watson, President of the First National Bank, New Rochelle. Also present at the meeting at which the monetary committee was appointed was Eugene W. Stetson, Chairman of the board of the Guaranty Trust Company, New York City.

Home Ownership Expected To Increase In Post-War Period

Conditions indicating greatly increased home building after the war are being favored by the prolongation of government restrictions on critical materials and the accelerated accumulation of savings on the part of prospective home owners.

These general conclusions can be drawn from the report entitled, "Residential Building Potentials," published by F. W. Dodge Corporation. In this report, Thomas S. Holden, president of the Dodge Corporation and well-known authority on construction trends, points to primary conditions now existing and favoring extensive home building when government restrictions are removed.

Conditions favoring increased home ownership in the post-war decade, according to Mr. Holden, are: (1) anticipated prosperity, with widespread purchasing power, sizable amounts of which are already earmarked for home purchases or down payments; (2) favorable mortgage market and purchase terms, and (3) probable continuation of population trends toward suburbs and outlying areas.

An important element in stimulating home construction is effective home planning promotion by well-managed savings institutions among their depositors, the study reveals.

Some of the findings of Dodge's latest survey, supplementing its previous post-war construction studies, published last year, are as follows:

Accumulated demand for houses is relatively greatest in the cost class banned by war restrictions, that is for homes costing $6,000 or more with land. A larger proportion of houses in middle and upper cost ranges would tend to increase the number built from architects' plans and specifications.

The first post-war year will be characterized by shortages of materials and by the general confusion of readjustment, possibly by hesitation as to price trends. Owing to numerous transition problems, it is likely that in the first 12 months after restrictions on house building are removed, there will be built only 350,000 to 400,000 new nonfarm dwelling units, much below the average annual construction of 820,000 dwelling units estimated for the decade following the war.

It can be reasonably estimated, the Dodge report states, that two-thirds of new post-war dwelling units built will be single-family houses.

It is expected that the residential building revival will start with houses built on owners' order for owners' occupancy, to be followed by operative-builder projects of houses for sale. After rent control is relaxed or removed and post-war construction costs relatively stabilized then rental housing construction curves will ascend.

"Anticipated higher national income," Mr. Holden comments "would mean a larger proportion of total families in the United States in middle-income brackets, compared with the pre-war era, which was largely a depression. Middle income families are much less apt to be deterred from home building for income tax reasons than are families in higher brackets. Many have accumulated down payments. All of them can deduct property taxes and mortgage interest in figuring net income subject to tax. Their investments in homes may very well constitute an inflation hedge."

Summary Of Bills Passed By Congress

(Continued from page 309)

a director and a contract settlement advisory board composed of the Secretary of Navy, Secretary of War and heads of various other agencies to prescribe procedures, policies, standards, and principles to govern all Government agencies under this act. The director is authorized to appoint an appeal board to hear appeals from contact decisions of the various agencies. Each Government contracting agency shall establish methods for the determination of fair compensation in settlement of contracts and is authorized to settle all or any part of a contract by agreement under the contractor or by determination of the amount due on the contract. Contract settlements in excess of $50,000 are subject to review by a board of three or more members established by the contracting agency. Contractors are provided aids in adequate interim financing and partial payment of termination claims may be made or guaranteed through Federal Reserve banks or other private financial institutions. Adequate advance notice to the contractor of contract termination is here included. Upon demand by the contractor the agency concerned is required within 90 days to submit an estimate of the amount due under the terminated contract and to make a settlement of at least 90% within 30 days after delivery of the estimate. In cases of dissatisfaction contractors may appeal to the Appeal Board or bring suit before the Court of Claims or a United States District Court under certain limitations. The General Accounting Office is confined to determining after final settlement of a contract whether settlement payments to the war contractor have been made in accordance with the settlement and whether the records or information transmitted to it warrant a reasonable belief that the settlement was induced by fraud. If the General Accounting Office finds a reasonable belief of fraud warranted, it may so certify to the Department of Justice for investigation. Penalties for fraud are included within the provisions of this act. This act was passed after considerable revision and extensive committee hearings including all interested parties from industry and Government.

War Powers

(Approved June 2, 1944. Public Law 378, 78th Cong.)

On June 28 the President approved the act of Congress extending for 1 year the President's authority to requisition property required for the defense of the United States.

75% Of Mutual Savings Bank Fund Returned

A second dividend in distribution of the Mutual Savings Bank Fund in the amount of $3,700,000 is now being made to all participating banks, bringing the distribution up to 75% of the amount paid in, according to an announcement July 17 by August Ihlefeld, President of Savings Banks Trust Company, which is the trustee of the Fund. The advices in the matter state:

"The Mutual Savings Bank Fund was created by the Savings Banks of New York State in 1934 as the agency for the insurance in full of their deposits. In July, 1943, the savings banks insured by this Fund voted in concert to join the FDIC, and shortly thereafter determined to liquidate the Fund. An initial distribution of $37,695,000 was made last December and this additional distribution brings the total up to 75% of the $55,000,000 paid in by participating banks.

"During the period of active operation (through interest on investments and other earnings) the Fund grew to slightly over $63,000,000, and this latest dividend leaves approximately $22,300,000 in resources which it is expected will be distributed to the participating banks in the future."

From Washington Ahead Of The News

(Continued from first page)

who remember that there is another part of America. These are voters outside of New York. They are not the Walter Lippman or the Dorothy Thompson sort of Americans, notwithstanding that they pay them to come around periodically and lecture to their women's clubs, just as they used to pay Alexander Woolcott. They, too, have been tremendously impressed by the robot bombs; they, too, have realized, if realization is really what the experience is, that the world, in the words of the late Ray Clapper, has "shrunk." Indeed, they have really marvelled, as have these fellows who have flown all over the world on war transportation and come back and written about how small the world is.

They are still, as this correspondent understands it, after all of this knowledge of world affairs has been pumped into them, wondering when and where we are going to get the Japanese.

Now, that this question of when and where we are to get the murderers of Pearl Harbor should be uppermost in the minds of some of our people is beyond this correspondent to explain. It is a fact. One reason might be these people are always hearing atrocity stories about the Japs and none about the Germans. Naturally their thoughts would be to rescue those boys in the hands of the Japs who are the subjects of these atrocities.

So the betting here in Washington is that Mr. Roosevelt, being quite alive to those yearnings, is headed next to the Pacific. To show you what we mean, that is the direction the politicos say he is taking. Being the cleverest politician on this world, that is the natural thing for him to do. So the politicos say.

What we are writing about is that everybody with whom we talk assumes that FD is a master politician; that being a master politician he would do something like this.

Assuming it is not this; assuming that where he is really headed is Cherbourg or Caen, the point is that this business of predicting him and his actions has ceased to become something exclusive to the Washington correspondents. The American people, rank and file, are talking of him in this vein. The rank and file of American people today expect him to show up in a far away place and in some sort of a dramatic fashion. The fact that they expect this insures that it will not be dramatic. It has been advertised too far in advance.

We remember very well the campaign of 1936, not that it could possibly be called analogous. But at the outset the Landon entourage announced that at a future date, on a future visit to his old birthplace in Pennsylvania, he intended to kiss his old school teacher. Over the ensuing weeks there was tremendous publicity about this. We imagine that never, in all time, have the American people been so expectant. The result was as can be imagined. Landon finally showed up at that birthplace; he kissed this school teacher, and vice versa, and never was the result such an anti-climax. It's going to be just that way with Mr. Roosevelt and his relative stupendous things. That fellow is sunk.

Agricultural Dept. Report On Crops As Of July 1

The United States Department of Agriculture, at Washington, on July 10, issued its general crop report as of July 1, which we give in part below:

Owing chiefly to uneven distribution of the rainfall during June, crop prospects improved in most States west of the Mississippi River and declined rather generally east of the Mississippi. In portions of both areas the changes were outstanding and the trends seem likely to have continued into early July. Good growing conditions now prevail in most of the West. In the Southeast near-drought conditions in late June were damaging potatoes, tobacco, early corn and vegetables and threatening nearly all late crops. On July 1 the area seriously in need of rain stretched from the Gulf northward to northern Virginia, southwestern Ohio and central portions of Indiana, Illinois and Missouri. During the first week of July there were helpful rains in the far Southeast but the area in need of rain extended farther north into the eastern Corn Belt, for there was almost no rain along a strip running from northern New York into northeast Texas.

Aggregate crop production in 1944 will be about the same as in 1943, according to prospects on July 1. There will be marked differences between the two years for individual crops and groups of crops, but on the whole production will be larger than in any year prior to 1942.

The harvested acreage of the 52 principal crops is expected to be about 355 million acres, which would be about 2% above the acreage last year and the largest since 1932.

Estimates based on July 1 conditions indicated a bumper wheat crop of 1,128,000,000 bushels, a very large corn crop of 2,980,000,000 bushels, fairly good crops of oats and barley and a total tonnage of grain second only to the exceptional harvest of 1942. The hay crop is expected to approach 100 million tons, a volume equalled or exceeded only in 1942 and 1943. The condition of pastures is close to the average during pre-drought decades. Most western ranges carry a good supply of feed and prospects are excellent over a large area. The fruit crop will be of record or near-record proportions. Commercial vegetable production seems likely to exceed production in past years except possibly 1942. Soybean production should approach or exceed previous top records, depending on the weather. Prospects for dry beans, dry peas and peanuts are for crops substantially smaller than in 1943 but larger than in other years.

The potato crop is expected to be large, probably nearly 400 million bushels—much less than last year's crop of nearly 465 million bushels but above production in most other recent years. Prospective yields of tobacco and sweetpotatoes have been reduced by the dry weather in the Southeast but the large increase in the acreage of tobacco should give a fairly large total output approaching 1½ billion pounds, and sweetpotato production should be nearly average. Flaxseed and rye are being grown on reduced acreages this season. Flaxseed production, estimated at about 26 million bushels, would be only about half of production last year but about 50% above production before the war. Rye is estimated at 29 million bushels, only slightly below production last year but a fourth less than average. The acreage planted to cotton shows a reduction of 6.7% compared with last year and some of the acreage is handicapped by the late planting but the dry weather has helped control of the grass and boll weevils that were threatening earlier in the season.

This generally favorable showing has been made possible by more than average rainfall in many western States where adequate rainfall has often been lacking, but in no small measure the indicated high production is the direct result of determined efforts of farmers to increase production under adverse conditions. The planted acreage of crops in 1944 represents an outstanding accomplishment considering the very late spring and the backward condition of farm work two months ago. In a dozen States the crop acreage is expected to be larger than in any previous year. Small increases over last year are reported from nearly all States, except parts of the Cotton Belt and some Great Plains States where there was a heavy loss of winter wheat due to drought last fall.

Previous peaks will not be reached in some of the subhumid States where a large acreage was shifted to pasture or summer fallow after the drought years, in parts of the South where the decrease in cotton could not be offset by increases in other crops, or in eastern areas where progressive abandonment of the rougher and poorer lands has continued for many decades. Reports on changes in farms this year show a continuation of recent trends, including further increases in the number of farms in the irrigated valleys and intensive farming sections of the West, continued consolidation of farms into larger units in the mechanized farming areas, and extensive and progressive abandonment of the small "subsistence farms" that have survived from the depression years in some of the cheap land areas of the South—chiefly in an area extending from eastern Texas into southeastern Oklahoma, across parts of Arkansas and from central Mississippi across into some northern counties of Georgia.

National averages of crop prospects cover a multitude of contrasting local conditions and sudden changes that mean success or disaster to countless individuals. Reports from central Missouri show upland crops suffering from a severe local drought while some bottoms are still under water. In northern Louisiana spring rains were so frequent that some farmers who were unable to either plant or cultivate in proper season pulled out in midsummer and moved to places where they could get work. Dust Bowl farmers who stuck through the droughts and dust storms of the last decade have staged a "comeback." The Kansas and Oklahoma wheat crops so exceed storage and transportation facilities that millions of bushels are being temporarily piled on the ground. In Montana, where farmers were worrying about drought and prospects of a shortage of water for irrigation, the June rainfall was about the heaviest on record and there are prospects for bumper grain crops. These are offset, however, by heavy rain damage to cut hay, by floods and by some losses of newly shorn sheep from the cold wet weather. Some areas in California complain that the unusual June rains have damaged the dry grass on the range. From Phoenix, Ariz., it is reported that June was too cool for cotton. Arizona reports show a preliminary average of .05 inches of rain for the whole month of June but most of the crops are irrigated and coming along in good shape. Southeast Texas, with an excess of five inches of rain in May now needs a good shower, while the El Paso area, dry all spring, had more than its uusal share of rain. Kentucky, noted for its green pastures, reports the bluegrass turning brown after what appears to have been the hottest June in 50 years accompanied by less than half of normal rainfall. In most of the South the June drought has damaged gardens, hurt pastures and late hay crops, and is reducing local production of food and feed. In New England the drought was broken by five inches of rain in June, probaly too late for a good hay crop. Western New York had so much rain that farmers were still planting corn, beans and other crops in early July. In much of the Corn Belt oat seeding stretched out from March till May, corn planting from early May to late June, and the crops show all sizes and stages of growth. Reports of breast-high wheat and knee-high oats are common. Oats appear to be excellent in southern areas where they were seeded in the fall. Farther north, spring sown oats are mostly poor where seeding was greatly delayed by wet weather; but fields sown early are mostly good, and in the Dakotas where farmers planted in dry soil and hoped for rain the rains came in abundance and prospects have never looked better. This whole weather pattern is so complicated and changeable that no adequate summary of growing conditions at the moment can be made, but it is noticeable that from coast to coast farmers appear to be doing all they can. After the vexatious delays from the wet spring, the record of work per man accomplished on the farms during the last two months is one of which farmers can be proud. They have had to substitute some crops that could be handled by machinery for those requiring hand work and there has been some return to crops that farmers are equipped to handle in place of crops temporarily grown to meet war needs, but very little productive land is being kept untilled.

Production of commercial truck crops for the fresh market in 1944 probably will be about one-fifth above that of 1943 and also about one-fifth above the 1933-42 average. Aggregate tonnage of winter crops was more than one-third greater than last year, spring tonnage was about one-seventh larger than in 1943, and prospective summer supplies, based on July 1 conditions, are about one-eighth larger this year than last.

Progress of commercial truck was only fair during June. For most crops in the Western States, growth is not so far advanced as usual because of delay in planting and continued cool weather. In the eastern part of the country late-June temperatures were above normal in many areas. Hot, dry weather prevailed from Virginia to Louisiana, and in Kentucky, Tennessee and Arkansas, with serious damage occurring in Virginia and North Carolina. But in the Atlantic States further north, weather generally was favorable and crops made good progress during late June. Warm, dry weather in the North Central States was beneficial to crops, although more rain is needed for satisfactory progress in some sections.

Preliminary estimates for 1944 indicate that the aggregate acreage planted to 11 important processing crops, including asparagus (California), beets, green lima beans, snap beans, kraut cabbage, cucumbers for pickles, green peas, pimientos (California and Georgia), sweet corn, spinach and tomatoes will exceed two million acres. Although the estimated planting for this season is slightly below the record high 1943 acreage, it is well above the average acreage for the preceding 10-year (1933-42) period. This year marks the third consecutive season with more than two million acres planted to processing vegetables.

Harvesting the 1944 crop of green peas for processing was in progress in the northern portion of the United States on July 1. Production probably will be about the same as last year. Production of snap beans for processing is indicated to be 5% larger than in 1943.

For the eight major deciduous fruits (apples, peaches, pears, grapes, cherries, plums, prunes, and apricots) the aggregate production in prospect for 1944 is 18% greater than in 1943, it is 2% greater than in 1942 and 6% greater than the 10-year (1933-42) average production. Commercial apple production is indicated to be 37% larger than the short 1943 crop but 5% smaller than the large 1942 production. Peaches are the third largest crop on record with California clingstones and freestones both the largest crops since 1930. The prospective grape production is 11% less than the record 1943 crop but 12% greater than average. Pears and sweet cherries are about average crops. Sour cherries are a record with Michigan production especially large. Apricot production is about three times the short crop of last year and is exceeded only by the 1939 crop. Plum production is indicated about the same total as in 1943. Prune production is indicated about three-fourths of last year and of average because of below-average crops in Oregon and California.

Conditions on July 1 were about average or above for grapefruit oranges, lemons and tangerines in all States. Present condition points to an aggregate tonnage of citrus fruits from the bloom of 1944 as large or larger than the record 1943-44 production (from the bloom of 1943).

The total prospective fruit supply (citrus and deciduous combined) for the 1944-45 season is 10 to 15% greater than production for the 1943-44 season.

Corn

A corn crop of nearly three billion bushels was in prospect July 1. This estimated production of 2,980,136,000 bushels has been exceeded in this country only four times, in 1906, 1920, 1942 and 1943. It is roughly 100 million bushels below 1943 and 150 millions below the record production in 1942 but 600 millions above the 10-year average. The indicated yield is 30.6 bushels per acre, on 97,519,000 acres for harvest. This compares with 32.5 bushels in 1943 and the average of 25.8 bushels.

Serious difficulties in planting corn were experienced throughout most of the Northeastern and North Central States, due to intermittent heavy rains during the usual planting period. This resulted in wide variation in development, ranging from fields just planted in late June to some in tassel. Floods in the lower Ohio and Missouri River valleys, coming a month earlier than in 1943, delayed planting and reduced the acreage that could be planted to corn. Floods in southeastern Iowa in June made it necessary to replant or plant late on a large acreage. The stands are good in most of the area of late plantings, though more uneven in height than usual, but the menace from early frosts hovers in the background.

In most of the Corn Belt, however, conditions were favorable in late June and the crop has responded, making good progress. Droughty conditions in the lower Ohio Valley, particularly in southwestern Ohio, were a threat to yields. Chinch bugs also were rated a menace in Illinois and Indiana. In north and western Corn Belt States progress of the crop has been particularly satisfactory as conditions favored cultivation and growth in fairly clean fields. This area has extensive reserve moisture in the soil which will be a factor in yields. In Northeastern States progress was fair to good, though continued wet weather had restricted cultivation and left fields weedy.

Corn prospects faded sharply during June in most of the area south of the Potomac and Ohio Rivers and in adjacent Louisiana and Texas. In all of these States, except Virginia, prospective yields on July 1 are lower than obtained last year and in most of them lower than the 10-year average. For a long period in June temperatures were above normal and rainfall has been below normal in this area. The condition was becoming critical by July 1, but some relief has been received in early July, particularly in the Southeastern States. Much of the acreage was planted late, making it vulnerable to drought damage. In Pacific Coast and adjacent States to the east, prospective yields, while not up to the high 1943 level, were better than average. Most Mountain States had better prospects than either last year or the average.

Corn was planted on 99,606,000 acres in 1944, about 2.5% more than in 1943. Though this is the largest acreage planted in any year since 1936, it is still far below the 1932 record of 113 million acres planted. While the total is approximately the same as indicated by farmers' intentions to plant last March, there is a wide difference by States and areas. Most Corn Belt States, except Iowa, equalled or exceeded the March intentions; in the North Central States the increase was about 770,000 acres. This was offset, however, by decreased plantings in the South and Central States, especially Texas, where rains interfered. Abandonment in 1944 is estimated at 2.1%, compared with 2.4% in 1943 and the 10-year average of 4%.

The total of 97,519,000 acres for harvest in 1944 is about 3% larger than in 1943 and the largest since 1933. Substantial increases in acreage for harvest are indicated in all North and Middle Atlantic States and all North Central States, except Kansas. In major corn producing and feeding areas the need for feed for expanded livestock numbers is best supplied by increasing the acreage of their best yielding crop. All Southern States from South Carolina and Tennessee westward and most Western States have decreased their corn acreage. Of these only Montana and Arizona show increases, compared with last year.

Farm stocks of corn on July 1 were 570,435,000 bushels. This is well below the level of nearly 800,000,000 bushels a year ago and of other years since 1937, but is close to the 10-year average. Disappearance of corn from farms during the quarter, April 1 to July 1, 1944, was 543,114,000 bushels. This was exceeded in the same quarter only in 1943 of all the years of record and follows record disappearance in the first quarter of this year. It is a third larger than average disappearance for the quarter. Farm stocks were heavily reduced by the Government buying program effective in 125 Corn Belt counties.

Wheat

Well over a billion bushel wheat crop, by far the largest in United States history, is now in prospect for 1944. The indicated production as of July 1 is 1,127,822,000 bushels, 93,000,000 bushels above the June 1 indication and 119,000,000 bushels greater than the previous record crop produced in 1915. The July 1 prospective winter wheat crop is 793,086,000 bushels, the second highest of record, having been exceeded only in 1931. The indicated production of 334,736,000 bushels of all spring wheat is the fourth highest of record, having been exceeded only in 1915, 1918, and 1928. Durum wheat production of 36,051,000 bushels, is lower than in any of the past three years, but only slightly under last year. Other spring wheat production at 298,685,000 bushels, however, is at the highest point since at least 1919, the first year of record.

The estimate of 60,884,000 acres of all wheat for harvest in 1944 is comparatively large in United States wheat acreage history. This is about one-fifth larger than the 50,500,000 acres harvested last year, and 13% larger than the 1933-42 average. In the 78 years of record or since 1866, there have

been only nine other years of larger wheat acreage, the most recent being in 1938. The acreage of winter wheat for harvest in 1944 is estimated at 41,864,000 acres. This is 23% more than the winter wheat acreage harvested last year. The indicated 19,020,000 acres of spring wheat is an increase of 15%. Durum wheat, estimated at 2,218,000 acres, is 4% more than last year but continues the decline of recent years in its proportion of the total spring wheat acreage.

The favorable turn in spring weather and ideal conditions for winter wheat harvest share with the increased acreage the credit for the bumper crop. The effects of this weather on yields is evident in the all wheat yield of 18.5 bushels per acre, exceeded only by the 1942 yield of 19.8 bushels per acre. The indicated yield of 18.9 bushels per acre for winter wheat and 16.7 bushels for spring wheat, rank high in the record of yields for each kind of wheat. The indicated yield of durum wheat is below last year.

Last fall winter wheat was seeded under very unfavorable conditions over most of the winter wheat territory. The dry weather reduced seedings somewhat from the intended acreage, interfered with seed germination and fall growth, and reduced volunteer acreage to a minimum. The drought was eventually broken, however, in nearly all sections but at varying dates through the winter, and the acreage that finally came up had adequate moisture for spring growth, excepting in some sections of south central and western Nebraska. The restoration of the moisture supply by rains beginning in the early spring brought about remarkable recovery of winter wheat, similar to the experience of 1940. The section most affected by the dry conditions which prevailed through most of the fall and winter was the western third of Nebraska and Kansas, extending east through south central Nebraska and north central Kansas, and including eastern Colorado and northeastern New Mexico. The late winter and spring rains in that section thickened the stands and greatly improved prospects. Because of this improvement, together with the labor shortage, a considerable acreage was left for harvest that otherwise would have been replanted to other crops. The intensive wheat growing sections in central and south central Kansas, and a large part of the best wheat sections of Texas had the unusual combination of timely May rains, and excellent harvesting weather. Early apprehensions of an impending drought in Oklahoma were dispelled by timely rains. Spring floods caused some loss of wheat acreage in sections of Illinois and Missouri adjacent to the Mississippi and the Missouri rivers.

Seeding conditions were generally favorable in the spring wheat belt, excepting in South Dakota, where excessive rains somewhat delayed and reduced plantings. In North Dakota and Montana, where the fall and winter were dry, spring rains came in sufficient amounts to encourage planting the intended acreage and to promote good plant growth. In the Pacific Northwest winter wheat abandonment is light, and the acreage of spring wheat seeded on abandoned winter wheat ground is small.

Winter wheat yields are universally above average and above last year in the important States, excepting Nebraska, Colorado, Montana, Oregon and California. Spring wheat yields are also above average in all States except New Mexico, but are lower than last year in some important States, notably North Dakota, Colorado, Montana, Washington and Oregon. In those States the moisture deficiency of last fall and winter has been considerably restored by spring and summer rains, but the optimum conditions of last year have not yet been fully restored. Black stem rust has appeared and is causing some concern in the Central Plains area, especially in late wheat in southwestern Nebraska where development was unusually rapid after July 1. Outbreaks of varying intensity have occurred in eastern Colorado, western Kansas, and in other scattered localities.

When computed by classes production of hard red winter is shown to be 497,000,000 bushels, of soft red winter 230,000,000, of hard red spring 259,000,000, of durum 37,000,000, and of white wheat 104,000,000 bushels. The greatest indicated increase over last year is in hard red winter wheat, 143,000,000 bushels increase. Soft red winter increased 97,000,000 bushels, hard red spring 31,000,000 and white wheat 21,000,000, while durum wheat is slightly lower than last year.

Stocks of old wheat on farms, estimated at 102,533,000 bushels, are 90,000,000 bushels under a year ago, and the lowest for this date of any year since 1940. Although lower than on July 1 of these recent years, farm reserves this year are 40% larger than the 1933-42 average. Reductions in stocks of old wheat on farms occurred in practically all States. It is particularly marked in the heavy producing Great Plains States, excepting in North Dakota and Montana which still have sizeable farm supplies. Disappearance between April 1 and July 1 of about 115,000,000 bushels is a little under that for the same quarter a year ago, is slightly above that for the two preceding years, but is considerably more than average for that period.

Oats

Oats production in 1944 is indicated at 1,183,236,000 bushels by conditions on July 1 in the Northern States and by the outturn of the crop in the South. The crop is slightly larger than in 1943 and 15% larger than the 10-year average which includes the drought years of 1934 and 1936. Late seeding in the Corn Belt and Border States and dry, hot weather during late June in some parts of these areas were unfavorable for the development of the oats crops. The prospective yield of 29.8 bushels per acre is the same as the yield of the 1943 crop when conditions for a full yield were also unfavorable. In the South the loss of oats from winter-kill and pest damage was light and yields substantially above normal were obtained. Prospects for oats in the spring wheat area on July 1 were better than usual.

Acreage planted to oats for harvest in 1944 was 44,023,000 acres, nearly 3% greater than in 1943 and the largest acreage since 1932. Farmers failed by 5% to fulfill their planting intentions as expressed in March, however, largely because of unfavorable weather in the Corn Belt during the planting season. As it was, much of the crop was seeded from 10 days to three weeks later than usual. Only in the Dakotas and upper Minnesota where weather was favorable and there was apparently a shift from flax and other crops to oats did plantings exceed earlier intentions to any extent. Compared with 1943, the planted acreage of oats is smaller in a belt of States extending from New Jersey to Kansas and in Alabama, New Mexico, Montana, and Washington. Increases occurred in all other States. The present upward trend in oats acreage can be attributed largely to the success of fall seeded oats in the South, to the low labor requirements of the crop in these days of short labor supply; also to the development of new varieties resistant to rust and other diseases and adapted to the Middle West. Experiment station and field tests have shown these new varieties to have substantial advantage in yielding capacity over older varieties.

Acreage of oats for harvest as grain in 1944 is indicated to be nearly 4% larger than in 1943, or 39,664,000 acres. This acreage is 11% above the 10-year (1933-42) average. Much of this increase has occurred in the South and West, although acreages for harvest have increased sharply in the upper Great Plains States, owing partly to a lower abandonment of planted acreage. Abandonment and diversion of oats acreage to hay and other uses this year is indicated at this time to be somewhat less than last year. Acreage of oats for grain has declined from last year in the same States in which there was a lower planted acreage indicated, except Alabama, while a larger acreage is expected for harvest in all other States. The increase in the North Central States, where three-fourths of the acreage is located, is indicated at less than 1% over 1943, with sharp increases in the northern part of the area more than offsetting decreases in the southern part.

Farm stocks of oats on July 1, 1944, were 186,574,000 bushels, 21% below the unusually large stocks held on the same date in 1943, and the smallest July 1 stocks since 1940. Disappearance during the quarter, April 1 to July 1, was 231,681,000 bushels, substantially less than the record disappearance during the corresponding period in 1943 but above the 10-year average. July 1 oats stocks plus the prospective 1944 production indicate a farm supply of 1,369,810,000 bushels of oats, not greatly different from last year but 175,000,000 bushels larger than the 10-year average.

Barley

The 300,000,000 bushel barley crop indicated on June 1, was substantiated on July 1 when more complete informatioin was available on acreage for harvest and when the reported condition reflected prospects at or near harvest. This year's crop, now indicated at 301,811,000 bushels, is 6% less than the 1943 crop but 18% above the 10-year average.

This year's yield of 23.8 bushels per acre exceeds the 1943 yield and the 10-year average by approximately two bushels. Yields are consistently above the 10-year average for States in the eastern half of the country, while yields in western States fail to show a consistent pattern.

The indicated seeded acreage of 14,483,000 acres is approximately 16% below that of last year, but is practically the same as the 10-year average. Every major barley producing State, with the exception of California and North Dakota, showed a sharp drop from last year in seeded acreage. In these two States favorable weather at planting time, comparatively good yields in recent years, lack of satisfactory alternative feed grain crops, and a shift from flax to barley in North Dakota, maintained or expanded the acreage grown this year as compared with 1943. In the North Central region, where around 70% of the nation's barley is grown, the seeded acreage is 20% under that of last year even though North Dakota, the leading State in acreage, showed no change.

With indications pointing to less abandonment and less diversion to other uses than in 1943, this year's acreage for harvest, estimated at 12,668,000 acres, is expected to be 14% under that of last season but 10% above the 10-year (1933-42) average.

Rye

Production of rye is estimated at 29,362,000 bushels compared with a crop of 30,781,000 bushels in 1943 and 40,446,000 bushels for the 10-year (1933-42) average. The indicated yield of 12.6 bushels per acre is slightly higher than esitmated on June 1 and 1.5 bushels higher than the harvested yield of 11.1 bushels last year. Prospective yields improved since last month in all areas except the North Central States where no change is indicated. Moisture has been favorable for the development of the crop in the Northern States, while dry weather at harvesting time was beneficial in the Southern areas.

The 2,325,000 acres of rye indicated for harvest is only 84% of last year's acreage for harvest and, with the exception of 1934, the lowest in more than 30 years. North Dakota, one of the principal rye producing States, expects to harvest only about two-thirds of last year's acreage and less than one-third of the 10-year (1933-42) average harvested acreage. The North Central area as a whole is estimated at 81% of its acreage harvested last year.

The 4,922,000 acres sown to rye in the fall of 1943 was 15% less than the 5,805,000 acres sown in the fall of 1942. This reduction in seeded acreage resulted not only from dry weather at seeding time, but also from a shift to wheat and other grain crops giving greater returns per acre.

The percentage of the sown acreage which was abandoned or diverted to pasture and other non-grain uses was about the same as for 1943. In the South Atlantic and South Central areas, however, where usually only a small proportion is harvested for grain, an increased percentage is expected, because of the exceptionally good yields in some States and the need for more grain feeds.

Potatoes

The Nation's potato crop in 1944 will be about 14% smaller than the record-high crop of 1943 but 10% above the 10-year (1933-42) average production, if July 1 prospective yields materialize. Total production in 1944 is placed at 399,116,000 bushels compared with 464,656,000 bushels in 1943 and the 10-year average of 362,912,000 bushels.

Acreage for harvest in 1914 is about 9% less than in 1943 and is 1% below the 10-year average. Wet weather and a late spring interfered with planting operations and apparently caused the decrease of 5% from prospective acreages indicated by growers' reports in March. Of the 18 surplus late States, Maine, North Dakota, Colorado, Utah, and Oregon are the only States that show increases over the March prospective plantings.

Indicated yields per acre for the early, intermediate, and late groups of States are below those of last year. For the United States, July 1 conditions point to an average yield of 132.5 bushels per acre compared with the record-high yield of 139.9 bushels in 1943.

The main or late crop is below the 1943 production by 46,000 bushels or 13%. On an acreage 10% smaller than in 1943, yields per acre in the 30 late States average less than the 1943 yield, though showing considerable variation by States. New York, Pennsylvania, Wisconsin, Colorado, Oregon, and California have prospects for higher yields than in 1943; other surplus late potato States are either below or the same as last year. In the majority of the late producing States a cold, wet spring delayed preparation of seed beds and much of the acreage was planted later than usual. This acreage must have favorable growing conditions and a long season in order to produce good yields. Favorable weather at planting time in Maine enabled growers to make rapid progress in planting another record high acreage and on July 1 most potato fields in Aroostook were free of weeds and showing good stands. In the Red River Valley the crop is also making favorable progress. In Nebraska, plantings were made much later than usual and are more susceptible to injury by hot weather in July and August. Much of the acreage in Idaho and other western States was also planted late and will require a long growing season.

In the 7 intermediate States, prospective yields are below average. Considerable damage has been caused by dry, hot weather, particularly in Virginia where the yield per acre of commercial early potatoes is the lowest on record.

Production in the early States was curtailed by a combination of adverse weather, including wet weather, frosts, blight, and drought. Damage to the commercial early crop was severe and yields per acre were extremely low in North Carolina, South Carolina, Georgia, Alabama, Louisiana, and Florida.

RFC To Dispose Of Govt. Owned Surplus Real Estate

The Surplus War Property Administration announced on July 11 that all surplus Government-owned real estate, except industrial real estate, Maritime Commission property, and property controlled by the National Housing Agency and the Federal Works Agency, has been assigned to the Reconstruction Finance Corporation for disposal. This was made known in Associated Press advices July 11, appearing in the Baltimore "Sun," which also had the following to say:

"As a matter of general policy, the announcement said, agriculture land will be disposed of in family-sized farms, and original owners will be given preference if they want to repurchase the land.

"W. L. Clayton, Surplus War Property Administrator, said the selection of RFC followed a report of a committee representing the Army, the Navy, the Interior Department, the Justice Department, the Maritime Commission, the RFC, the Agriculture Department and the National Housing Agency. The Committee recommended both the RFC and the Public Buildings Administration as being 'equally well qualified to act,' and Mr. Clayton chose the RFC.

"Mr. Clayton said the RFC will consult with the other interested agencies concerning methods of disposal and announced that RFC has appointed Col. M. J. O'Byrne, formerly director of the real estate division of the Surplus War Property Administration, to handle the program."

Publicly Financed Construction Down

F. W. Dodge Corp. reported on July 14 that the valuation of all construction contracts awarded in the 37 States east of the Rocky Mountains during the first half of this year totaled $960,221,000, compared with a total of $1,851,272,000 for the first six months of last year.

While the total of all construction contracts was down considerably, privately owned projects increased from $239,312,000 during the first six months of last year to $243,543,000 for the corresponding period of 1944. During the first half of last year privately owned projects represented only 13% of the total contract awards, and this year they represented 25% of the dollar value of all construction.

A precipitous decline in Government-financed residential construction was shown. Dodge's field reports show public contracts reached $72,299,000 during the first six months of this year compared with $310,909,000 in the first half of last year in the 37 States.

Privately owned residential construction let under contract in the January-June period this year amounted to $131,593,000, representing 65% of all residential construction in the 37 States. During the first half of 1943 privately owned residential construction represented only 35% of the total, the remainder being publicly owned housing.

Bankers' Dollar Acceptances Outstanding On June 30 Decrease To $111,675,000

The volume of bankers' dollar acceptances outstanding on June 30 amounted to $111,675,000, a decrease of $1,464,000 from the May 31 total, according to the monthly acceptance survey issued July 13 by the Federal Reserve Bank of New York. As compared with a year ago, the June 30 total represents a loss of $28,171,000.

In the month-to-month comparison, domestic shipments, domestic warehouse credits, and those based on goods stored in or shipped between foreign countries were lower, and imports, exports and dollar exchange were higher, while in the yearly analysis only credits for exports and dollar exchange were higher.

The Reserve Bank's report follows:

BANKERS DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	June 30, '44	May 31, '44	June 30, '43
1 Boston	$18,999,000	$18,960,000	$28,464,000
2 New York	66,716,000	69,390,000	82,635,000
3 Philadelphia	6,357,000	5,826,000	7,198,000
4 Cleveland	709,000	894,000	944,000
5 Richmond	1,189,000	1,822,000	1,499,000
6 Atlanta	3,115,000	2,467,000	1,988,000
7 Chicago	4,059,000	3,752,000	4,288,000
8 St. Louis	937,000	567,000	587,000
9 Minneapolis	69,000	22,000	179,000
10 Kansas City	------	------	------
11 Dallas	108,000	278,000	565,000
12 San Francisco	9,417,000	9,161,000	11,499,000
Grand Total	$111,675,000	$113,139,000	$139,846,000

Decrease for month $1,464,000 Decrease for year $28,171,000

ACCORDING TO NATURE OF CREDIT

	June 30, '44	May 31, '44	June 30, '43
Imports	$73,943,000	$70,893,000	$81,717,000
Exports	10,764,000	10,340,000	9,884,000
Domestic shipments	9,152,000	10,060,000	12,258,000
Domestic warehouse credits	14,734,000	17,728,000	23,967,000
Dollar exchange	226,000	216,000	194,000
Based on goods stored in or shipped between foreign countries	2,856,000	3,902,000	11,826,000

BILLS HELD BY ACCEPTING BANKS

Own bills $43,811,000 Bills of others $42,708,000 Total $86,519,000

Decrease for month $3,022,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES, JULY 13, 1944

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	1/2	7/16
60	1/2	7/16
90	1/2	7/16
120	9/16	1/2
150	5/8	9/16
180	5/8	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since June 30, 1941:

1941—	$	1942—	$	1943—	$
July 31	209,899,000	July 31	156,302,000	July 31	138,692,000
Aug. 30	197,472,000	Aug. 31	139,304,000	Aug. 31	130,244,000
Sept. 30	176,801,000	Sept. 30	123,494,000	Sept. 30	117,016,000
Oct. 31	184,806,000	Oct. 31	118,581,000	Oct. 30	114,883,000
Nov. 29	193,590,000	Nov. 30	116,067,000	Nov. 30	111,289,000
Dec. 31	194,220,000	Dec. 31	118,039,000	Dec. 31	116,814,000
1942—		1943—		1944—	
Jan. 31	197,278,000	Jan. 30	119,682,000	Jan. 31	120,497,000
Feb. 28	190,010,000	Feb. 27	127,062,000	Feb. 29	134,772,000
Mar. 31	182,675,000	Mar. 31	129,818,000	Mar. 31	129,358,000
Apr. 30	177,293,000	Apr. 30	128,350,000	Apr. 29	125,566,000
May 29	173,906,000	May 29	135,815,000	May 31	113,139,000
June 30	162,849,000	June 30	139,846,000	June 30	111,675,000

Civil Engineering Construction $157,811,000 In June—1944 6-Month Total 51% Below Year Ago

Civil engineering construction in continental United States totals $157,811,000 for June, an average of $31,562,000 for each of the five weeks. This weekly average volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 9% lower than the average for the four weeks of May, 1944, and 54% below the average for the four weeks of June, 1943, as reported to "Engineering News-Record," and made public on July 12. The report continued in part as follows:

Public construction, on the weekly average basis, is 4% higher than in the preceding month, but is 50% lower than in the 1943 month. State and municipal work tops last month by 4% and is 15% higher than last year. Federal volume gains 5% compared with a month ago, but is 58% under a year ago.

Private construction is 39 and 64% lower, respectively, than in May, 1943, and June, 1944.

Civil engineering construction volumes for the 1943 month, last month, and the current month are:

	June, 1943 (Four Wks.)	May, 1944 (Four Wks.)	June, 1944 (Five Wks.)
Total U. S. construction	$274,493,000	$138,857,000	$157,811,000
Private construction	72,718,000	42,923,000	32,569,000
Public construction	201,775,000	95,934,000	125,242,000
State and municipal	21,956,000	24,476,000	31,687,000
Federal	179,819,000	71,458,000	93,555,000

The June total brings construction volume to $891,830,000 for the opening six months of 1944, a figure 51% lower than a year ago, and the lowest first-half volume reported since 1935. Private construction is 13% below the 1943 period, and public construction declines 57% as a result of the 61% drop in Federal work. State and municipal volume is up 5% compared with a year ago. Construction totals and gains or losses compared with last year are shown below:

Opening Six-Month Totals

	1943 (25 Weeks)	1944 (26 Weeks)	% Gain or Loss
Total U. S. construction	$1,766,252,000	$891,830,000	—51
Private construction	222,484,000	201,481,000	—13
Public construction	1,543,768,000	690,349,000	—57
State and municipal	100,361,000	109,436,000	+ 5
Federal	1,443,407,000	580,913,000	—61

June weekly average volumes compared with those for May, 1944, reveal increases in streets and roads, 8%; bridges, 47%; waterworks, 124%; sewerage, 180%; and earthwork and drainage, 252%. Decreases are in public buildings, 1%; industrial buildings, 60%; commercial building and large-scale private housing, 30%; and unclassified construction, 18%.

Comparison of current averages with those for June, 1943, shows gains in bridges, 42%; waterworks, 6%; sewerage, 34%; and earthwork and drainage, 105%. Losses are in streets and roads, 2%; public buildings, 70%; industrial buildings, 83%; commercial building and large-scale private housing, 50%; and unclassified construction, 31%.

New Capital

New capital for construction purposes for June totals $16,728,000, a gain of 188% over the corresponding 1943 month. Of the month's total, $14,378,000 is in private investment, and $2,350,000 is in RFC loans for private industrial expansion.

The June new financing brings the total for the opening six months of 1944 to $443,277,000, a volume 14% below the $497,066,000 reported for the period in 1943. Private investment for the year to date, $141,881,000, is 61% above last year; Federal financing for non-Federal work, $56,130,000, is 346% higher; but Federal funds for military and departmental construction, $245,268,000, are 41% lower than in the first six months of 1943.

Electric Output For Week Ended July 15, 1944 Shows 4.6% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended July 15, 1944, was approximately 4,377,152,000 kwh., compared with 4,184,143,000 kwh. in the corresponding week a year ago, an increase of 4.6%. The output for the week ended July 8, 1944, was 0.5% in excess of the similar period of 1943.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— July 15	July 8	July 1	June 24
New England	*0.7	*12.0	0.6	3.3
Middle Atlantic	*2.5	*5.4	0.1	*1.3
Central Industrial	3.3	*1.7	5.5	5.2
West Central	4.5	2.0	5.7	6.2
Southern States	9.2	5.2	8.2	8.4
Rocky Mountain	*4.6	*8.0	*6.6	*9.1
Pacific Coast	17.6	15.0	15.2	15.4
Total United States	4.6	0.5	5.3	5.0

*Decrease under similar week in 1943.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1944	1943	% Change over 1943	1942	1932	1929
April 1	4,408,703	3,889,858	+13.3	3,348,608	1,465,076	1,633,291
April 8	4,361,094	3,882,467	+12.3	3,320,858	1,480,738	1,696,543
April 15	4,307,498	3,916,794	+10.0	3,307,700	1,469,810	1,709,331
April 22	4,344,188	3,925,175	+10.7	3,273,190	1,454,505	1,699,822
April 29	4,336,247	3,866,721	+12.1	3,304,602	1,429,032	1,688,434
May 6	4,233,756	3,903,723	+ 8.5	3,365,208	1,436,928	1,698,942
May 13	4,238,375	3,969,161	+ 6.8	3,356,921	1,435,731	1,704,426
May 20	4,245,678	3,992,250	+ 6.3	3,379,985	1,425,151	1,705,460
May 27	4,291,750	3,990,040	+ 7.6	3,322,651	1,381,452	1,615,085
June 3	4,144,490	3,925,893	+ 5.6	3,372,374	1,435,471	1,689,925
June 10	4,264,600	4,040,376	+ 5.5	3,463,528	1,441,532	1,699,227
June 17	4,287,251	4,098,401	+ 4.6	3,433,711	1,440,541	1,702,501
June 24	4,325,417	4,120,038	+ 5.0	3,457,024	1,456,961	1,723,428
July 1	4,327,359	4,110,793	+ 5.3	3,424,188	1,341,730	1,592,075
July 8	3,940,854	3,919,398	+ 0.5	3,428,916	1,415,704	1,711,625
July 15	4,377,152	4,184,143	+ 4.6	3,565,367	1,433,903	1,727,225
July 22		4,196,357		3,625,645	1,440,386	1,732,031
July 29		4,226,705		3,649,146	1,426,986	1,724,728

Theodore Roosevelt, Jr., Dies In France

Brig. Gen. Theodore Roosevelt, Jr., son of the late President Theodore Roosevelt, died on July 13, of a heart attack resulting from exhaustion in a front line camp in France. Gen. Roosevelt, the soldier son of a soldier father—who braved death in three invasions and many battlefields in North Africa, Sicily, Italy and France (to quote Associated Press advices from France), was 56 years of age. The press advices, whose source is credited "With American Troops in Normandy," also stated in part:

The son of the former President was assistant commanding general of the Fourth Infantry Division. He died two hours after a visit with his son, Quentin, who is a captain in the fighting First Infantry Division in which the General served as deputy commander earlier in the war.

Tomorrow General Roosevelt, one of the best beloved officers in the Army, is to be buried in the Fourth Division military cemetery; and his body will rest in the soil of the same country where his brother Quentin was killed in the last war.

Although stricken with a slight heart attack four days ago, General Roosevelt insisted on continuing his strenuous daily tours to encourage and guide his troops.

* * *

He [Gen. Roosevelt] fought in France in the first World War with the First Infantry Division, which always was closest to his heart. He made the amphibious assault landings with it in Algeria and Sicily.

Then he served as African headquarters liaison officer with the French in the Mediterranean before taking over his present post with the Fourth Division.

He received the Purple Heart award in the last war and added two clusters to it during the campaigns in the Mediterranean.

"General Roosevelt really was a battle casualty," said Major General R. O. Barton, division commander. "All day long he rode the lines. He spared himself nothing. In fact, he had been out at command posts cheering the men, helping commanders and helping me. He was the most gallant soldier, officer and gentleman I have ever known, without exception."

Before his death, Roosevelt had made plans to return to the battle front.

"He told me we would get an early start this morning as he expected a big day," said his aide, Lieutenant Marcus O. Stevenson, of San Antonio, Texas, who had been with him ever since General Roosevelt received his star in December, 1942.

The General suffered a heart attack at 11:15 at night and called to Lieutenant Stevenson before he became unconscious. The aide summoned Major Kenneth M. McPherson, of Beckley, W. Va., headquarters physician, but General Roosevelt was beyond medical aid.

After fighting in the last war, the General entered the New York State Assembly. He served as Assistant Secretary of the Navy from 1921 to 1924, as Governor of Puerto Rico from 1929 to 1932, and as Governor General of the Philippines in 1932 and 1933. He was Republican candidate for Governor of New York in 1924.

Gen. Roosevelt was buried on July 14 with pomp and pageantry in a stirring military ceremony that will never be forgotten by those who witnessed it. The Associated Press in part also said:

"Standing mute as a statue during the 20-minute ceremony, was the General's son, Quentin, a Captain in the General's favorite division, the 'Fighting First.' Beside him were the General's aide, Lieut. Marcus Stevenson, of San Antonio, Tex., and the driver of the General's jeep for the last two years, T/4 Kurt Show, of 131 East Shore Road, Roslyn, L. I.

"Marching to his grave, too, came six Generals — including Lieut. Gen. Omar N. Bradley, Maj. Gen. Clarence R. Huebner, Maj. Gen. James L. Collins and Maj. Gen. Raymond Barton — and other high-ranking officers of the First Division and the Fourth Division, of which General Roosevelt was assistant commander when he died."

Among the tributes paid to Gen. Roosevelt's memory was one from Robert P. Patterson, Acting Secretary of War at Washington, who said:

"The Army has lost a first-rate fighting man and the soldiers at the front have lost a firm friend."

Governor Dewey, said the New York "Times" of July 15, paid the following public tribute:

"The death of Brig. Gen. Theodore Roosevelt is sad news indeed. Never was there a warmer friend, a stouter heart or a more public spirited American. He was my good friend and close associate in many public causes. I know his family will be comforted in their grief in the sure knowledge that everyone who knew him loved and respected him as a great patriot who gave his life for his country."

June Cotton Consumption Report

The Census Bureau at Washington on July 15 issued its report showing cotton consumed in the United States, cotton on hand, and active cotton spindles for the month of June.

In the month of June, 1944, cotton consumed amounted to 805,735 bales of lint and 118,866 bales of linters as compared with 831,889 bales of lint and 120,831 bales of linters during May this year, and 918,433 bales of lint and 97,344 bales of linters in June last year.

In the 11 months ending with June 30, cotton consumption was 9,217,903 bales of lint and 1,225,572 bales of linters compared with 10,260,214 bales of lint and 1,194,296 bales of linters in the corresponding period a year ago.

There were 1,984,910 bales of lint and 352,393 bales of linters on hand in consuming establishments on June 30, 1944, which compares with 2,110,581 bales of lint and 399,321 bales of linters on May 31, 1944, and with 2,219,286 bales of lint and 473,005 bales of linters on June 30, 1943.

On hand in public storage and at compresses on June 30, 1944, there were 8,855,931 bales of lint and 66,519 bales of linters, which compares with 9,582,675 bales of lint and 87,622 bales of linters on May 31 and 8,550,318 bales of lint and 67,298 bales of linters on June 30, 1943.

There were 22,373,494 cotton spindles active during June, 1944, which compares with 22,387,784 active cotton spindles during May, 1944, and with 22,769,238 active cotton spindles during June, 1943.

Treasury Testing Technical Aspects Of Currency Paper

The Secretary of the Treasury stated on July 4 that "in order to test certain technical aspects of the distinctive currency paper, two lots of $1 silver certificates, marked with red letters R or S, are being issued in regular course." "The red letters," says the Treasury, "will facilitate identification of the bills following their redemption as unfit."

Cottonseed Receipts To June 30

On July 13, the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the 11 months ended June 30, 1944 and 1943.

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

State—	*Received at mills Aug. 1 to June 30 1944	1943	Crushed Aug. 1 to June 30 1944	1943	On hand at mills June 30 1944	1943
United States	3,949,613	4,468,859	3,898,745	4,437,294	139,644	103,596
Alabama	262,466	257,547	254,680	254,834	9,971	6,046
Arizona	59,838	82,864	59,723	83,252	118	3
Arkansas	372,599	472,099	366,357	462,155	15,825	21,765
California	124,450	157,831	131,152	146,937	194	12,069
Georgia	361,415	342,437	340,907	341,258	22,746	5,236
Louisiana	214,106	166,090	209,496	166,518	5,153	316
Mississippi	715,076	748,622	691,551	731,028	35,065	23,835
North Carolina	225,370	271,755	218,819	272,171	7,616	1,241
Oklahoma	111,206	219,179	111,392	222,194	1,606	1,449
South Carolina	193,479	207,202	194,449	204,962	6,623	2,187
Tennessee	282,320	382,579	273,328	386,598	12,258	5,168
Texas	917,324	1,015,668	939,857	1,028,436	22,136	20,187
All other states	104,964	144,986	107,034	136,951	333	4,094

*Includes 1,560 and 9,897 tons destroyed at mills but not 90,336 and 81,928 tons on hand Aug. 1 nor 51,708 and 59,951 tons reshipped for 1944 and 1943 respectively.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Items—	Season	On hand Aug. 1	Produced Aug. 1 to June 30	Shipped out Aug. 1 to June 30	On hand June 30
Crude oil	1943-44	*23,283	1,217,974	1,213,955	*40,627
(thousand pounds)	1942-43	34,460	1,380,883	1,377,782	39,350
Refined oil	1943-44	†207,409	‡1,129,909	------	†294,678
(thousand pounds)	1942-43	310,191	1,270,037	------	243,465
Cake and meal	1943-44	18,542	1,808,841	1,789,642	37,741
(tons)	1942-43	190,100	1,966,102	2,126,775	29,427
Hulls	1943-44	11,964	911,691	903,973	19,682
(tons)	1942-43	44,118	1,070,585	1,097,311	17,392
Linters	1943-44	135,927	§1,162,906	1,174,660	§124,173
(running bales)	1942-43	43,295	1,335,046	1,185,826	192,515
Hull fiber	1943-44	556	22,954	23,047	463
(500-lb. bales)	1942-43	229	34,821	34,276	774
Grabbots, motes, &c.	1943-44	14,106	47,858	48,508	13,456
(500-lb. bales)	1942-43	23,644	62,501	66,143	20,002

*Includes 13,826,000 and 27,116,000 pounds held by refining and manufacturing establishments and 3,150,000 and 3,185,000 pounds in transit to refiners and consumers Aug. 1, 1943 and June 30, 1944 respectively.

†Includes 3,196,000 and 5,694,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 3,734,000 and 1,143,000 pounds in transit to manufacturers of shortening, soap, etc. Aug. 1, 1943 and June 30, 1944 respectively. Does not include winterized oil.

‡Produced from 1,201,530,000 pounds of crude oil.

§Total linters produced includes 284,370 bales first cut, 800,699 bales second cut and 77,837 bales mill run. Total held includes 41,165 bales first cut, 75,079 bales second cut and 7,929 bales mill run.

Exports and Imports of Cottonseed Products

In the interest of national defense, the Department of Commerce has discontinued until further notice the publication of statistics concerning imports and exports.

Market Value Of Bonds On N. Y. Stock Exchange

As of the close of business June 30, there were 1,057 bond issues, aggregating $95,728,780,260 par value, listed on the New York Stock Exchange with a total market value of $96,235,324,054. This compares wih 1,065 bond issues, aggregating $93,271,754,989 par value; total market value $93,849,254,814; average price of 100.62 on May 31.

In the following table listed bonds are classified by governmental and industrial groups with the aggregate market value and average price for each:

Group—	June 30, 1944 Market Value $	Average Price $	May 31, 1944 Market Value $	Average Price $
U. S. Government (incl. N. Y. State, Cities, etc.)	79,385,574,925	103.15	76,925,561,425	103.31
U. S. companies:				
Amusement	7,350,000	98.00	7,425,000	99.00
Automobile	7,704,500	101.38	7,799,500	102.63
Building	13,334,625	101.79	13,295,750	101.49
Business and office equipment	15,133,010	107.00	15,975,000	106.50
Chemical	44,313,250	103.54	44,366,625	103.42
Electrical equipment	20,200,000	101.00	20,275,000	101.38
Financial	40,081,565	102.50	48,421,816	102.93
Food	254,980,625	106.40	256,702,579	106.54
Land and realty	10,895,081	92.10	10,951,140	92.58
Machinery and metals	35,167,718	102,04	35,261,577	102.32
Mining (excluding iron)	92,536,771	71.31	92,403,666	70.56
Paper and publishing	33,823,406	104.14	33,674,486	103.68
Petroleum	629,389,618	104.02	630,818,625	104.13
Railroad	8,075,478,116	83.42	8,163,831,134	84.10
Retail merchandising	12,911,944	95.03	13,143,874	96.13
Rubber	69,413,196	104.41	69,359,683	104.33
Shipping services	19,485,283	91.56	19,132,873	89.91
Steel, iron and coke	410,168,275	103.53	408,179,512	103.02
Textiles	36,487,500	104.25	36,618,750	104.63
Tobacco	173,003,439	105.57	172,753,535	105.42
Utilities:				
Gas and electric (operating)	3,194,794,420	108.25	3,172,989,517	108.76
Gas and electric (holding)	60,820,360	108.77	60,899,841	108.91
Communications	1,170,915,688	112.80	1,175,375,890	112.46
Miscellaneous utilities	102,984,749	71.28	101,098,158	69.97
U. S. companies oper. abroad	150,605,244	85.58	151,331,718	85.25
Miscellaneous businesses	31,234,780	105.78	31,350,550	106.17
Total U. S. companies	14,713,213,163	92.13	14,793,435,799	92.55
Foreign government	1,408,150,991	70.26	1,373,532,064	68.50
Foreign companies	728,384,975	91.59	756,725,526	91.81
All listed bonds	96,235,324,054	100.53	93,849,254,814	100.62

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

1942—	Market Value $	Average Price $	1943—	Market Value $	Average Price $
June 30	59,112,072,945	95.50	July 31	80,352,221,151	99.35
July 31	61,277,620,583	95.76	Aug. 31	80,109,269,964	99.23
Aug. 31	62,720,371,752	96.08	Sept. 30	80,149,558,292	99.37
Sept. 30	62,765,776,218	96.18	Oct. 30	90,501,768,934	99.45
Oct. 31	64,843.877,284	96.48	Nov. 30	90,076,888,558	99.02
Nov. 30	64,543,971,299	96.11	Dec. 31	90,274,071,634	99.38
Dec. 31	70,583,644,622	96.70	1944—		
1943—			Jan. 31	90,544,387,232	99.78
Jan. 30	71,038,674,932	97.47	Feb. 29	96,837,573,171	100.21
Feb. 27	71,346,452.852	97.79	Mar. 31	95,713,288,544	100.32
Mar. 31	71,575,183.604	98.24	Apr. 29	95,305,318,075	100.31
Apr. 30	71,857,596,488	98.69	May 31	93,849,254,814	100.62
May 29	81,048,543,830	99.47	June 30	96,235,324,054	100.53
June 30	80,704,321,646	99.64			

Program For Expediting Action On Pension And Profit Sharing Plans Announced

Joseph D. Nunan, Jr., Commissioner of Internal Revenue, announced on July 13 a program for expediting action on pension and profit-sharing plans, with a view to making rulings on all pending cases before the end of 1944. A large staff of specially trained revenue agents throughout the country has been delegated authority to consider and rule upon all plans becoming effective after Dec. 31, 1941. This will enable employers to work out their plans conveniently and expeditiously with revenue agents in their own locality. The advices from the Internal Revenue Bureau further say:

Heretofore consideration of all such plans was centralized in Washington, so that a group of specialists could formulate the policies affecting the highly complex legal and actuarial problems involved in these plans. This group has now developed procedures and trained enough field agents so that it is possible to transfer the bulk of the work to the field offices where larger staffs and ready contact with employers should speed up the work.

The field offices will handle the vast majority of the nearly 4,000 plans on file. The Washington office, however, will continue to handle cases involving plans which became effective prior to Jan. 1, 1942.

Commissioner Nunan explained that it is entirely up to each individual employer to decide what kind of pension or profit-sharing plan he wants to have for his employees, or whether he wants any plan at all. The only function of the Bureau of Internal Revenue is to determine whether a plan adopted by an employer satisfies requirements of the Revenue Act of 1942 and so entitles the plan to tax exemption and entitles the employer to a deduction on his own income tax for his contributions to the plan.

Delay in making these rulings has been unavoidable because of the complexity of the 1942 requirements and because wartime business conditions have stimulated a huge increase in the number of proposed plans.

Recognizing it would take time to work out the administration of the 1942 requirements, Congress has provided that an employer could institute a plan without waiting for a ruling on its tax status and if the plan was submitted in proper form prior to Dec. 31, 1944, the employer could have a deduction for his contribution to the plan in 1943 and 1944, as well as subsequent years.

For this reason, Commissioner Nunan explained, every effort will be made to complete rulings on these cases before the end of the year. He added that any employers who expect to file plans this year should do so at the earliest possible date so that the handling of their plans can be programmed expeditiously along with the plans already on file.

In determining the policies to be followed by the field offices in handling these cases, the Commissioner said he hoped to continue consultations with representatives of insurance companies, underwriters' associations and trust companies, who are familiar with the employers' problems in setting up and operating such plans.

NYSE Members Urged To Watch Cash Deals To Guard Against Black Market Operations

Member firms of the New York Stock Exchange were reminded under date of July 10 by Emil Schram, President, of the requirements of Rules 504 and 505 of the Board of Governors, "that due diligence be exercised to learn the essential facts relative to every customer, every order and every cash or margin account accpted or carried by member firms."

It was noted in the New York "Times" of July 13 that while not specifically characterizing this flow of currency, officials of the Exchange pointed out that Mr. Schram had in mind reports that sums arising from black market operations, or that had circumvented the foreign exchange control restrictions, or otherwise were of obscure origin, were being circulated in stock trading and other transactions.

Mr. Schram in his letter, aside from the portion quoted above, said:

"According to reports in the press, there has been in recent months a substantial increase in the use of currency in the settlement of business transactions. We are naturally interested in any possible effect which this development may have upon member firms of the New York Stock Exchange. Such increased use of cash might present, for member firms, certain problems to which I wish to direct your attention.

"One of the problems arising out of the handling of unusual amounts of currency has to do with insurance coverage. With respect to this particular problem, the Exchange suggests that any member firms to which unusual amounts of currency may be tendered in the settlement of security transactions carefully review their blanket bond, fidelity and other insurance in order to be sure that appropriate coverage exists.

"Of course, the Exchange would expect that, where the receipt from a customer of payment in the form of currency seems out of the ordinary, the member firm would obtain sufficient information to satisfy itself that the transaction is in accordance with sound business practice."

Bank Debits For Month Of June

The Board of Governors of the Federal Reserve System issued on July 1 its usual monthly summary of "bank debits," which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District—	June 1944	June 1943	3 Months Ended June 1944	3 Months Ended June 1943
Boston	4,261	3,295	10,763	10,499
New York	36,335	27,815	91,031	87,302
Philadelphia	3,857	3,034	9,874	9,539
Cleveland	5,511	4,568	14,577	13,556
Richmond	3,051	2,457	7,902	7,298
Atlanta	2,698	2,203	7,390	6,596
Chicago	12,488	10,379	33,181	30,848
St. Louis	2,375	1,909	6,615	5,991
Minneapolis	1,503	1,268	4,005	3,868
Kansas City	2,632	2,206	7,048	6,515
Dallas	2,291	1,942	6,264	5,610
San Francisco	6,849	5,817	19,187	17,179
Total, 334 centers	83,853	66,894	217,836	204,801
*New York City	33,563	25,464	83,568	80,395
*140 other centers	42,613	34,959	113,613	105,243
193 other centers	7,676	6,472	20,656	19,164

*Included in the national series covering 141 centers, available beginning in 1919.

NYSE Short Interest Higher On June 30

The New York Stock Exchange announced on July 12 that the short interest as of the close of business on the June 30 settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 1,287,970 shares, compared with 1,181,293 shares on May 31, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the June 30 settlement date, the total short interest in all odd-lot dealers' accounts was 39,587 shares, compared with 33,899 shares on May 31. The announcement of the Exchange added:

Of the 1,242 individual stock issues listed on the Exchange on June 30, there were 69 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month.

The number of issues in which a short interest was reported as of June 30, exclusive of odd-lot dealers' short positions, was 715 compared with 662 on May 31.

In the following tabulation is shown the short interest existing at the close of the last business day for the last 12 months:

1943—	
June 30	879,575
July 30	836,764
Aug. 31	801,321
Sept. 30	761,827
Oct. 29	729,291
Nov. 30	760,166
Dec. 31	737,042
1944—	
Jan. 31	847,335
Feb. 29	960,617
Mar. 31	1,028,489
Apr. 29	1,090,581
May 31	1,181,293
June 30	1,287,970

June Export Freight Up

Export freight, other than coal and grain, unloaded at Atlantic, Gulf and Pacific ports in the first half of 1944 totaled 893,855 cars compared with 612,974 cars in the same period last year, or an increase of nearly 46%, according to the Association of American Railroads announced today.

Cars of grain for export in the first six months of 1944 at those ports totaled 18,746 compared with 29,055 in the same period last year, or a decrease of 35.5%.

The average daily unloadings of export and coastal freight at all United States ports in the first six months of 1944 was 5,044 cars compared with 3,566 in the same period last year. This marks the first time that this average has exceeded 5,000 cars per day in the first six months of any year since the compilation of these records began.

In the month of June alone 153,216 cars of export freight, excluding coal and grain, were unloaded at all ports compared with 119,435 in June, 1943, or an increase of 28%. Cars of grain for export unloaded in June this year totaled 3,255 compared with 6,504 in the same month last year, or a decrease of 50%.

In addition, the railroads handled 565 cars of coastal freight in June this year, compared with 711 in the same month of 1943, or a decrease of 28%.

The total of 156,986 of all export and coastal freight, excluding coal, handled through the ports in June represented an average daily unloading of 5,233 cars. June was the fourth consecutive month that a daily average of 5,000 cars has been exceeded, the peak so far having been reached in May, when the average was 5,624 cars.

Wholesale Prices Down In Week Ended July 8 Labor Department Reports

"Seasonally lower prices for apples, oranges, and onions and a reaction in wheat and cotton markets brought the Bureau of Labor Statistics' index of commodity prices in primary markets down 0.2% during the first week of July," said the U. S. Department of Labor on July 13, which added that "the combined index of nearly 900 price series fell to 103.9% of the 1926 level. In the past four weeks average prices for these commodities have declined 0.1% and they are less than 1% higher than at the same time last year." The Department's announcement went on to say:

"Farm products and foods—Average prices for farm products in primary markets declined 1.1% during the week. In addition to sharp decreases in prices for most fresh fruits and vegetables, rye dropped nearly 3% and wheat and cotton 0.7%. Quotations for calves and cows dropped about 4.5%; and sheep, 1.4%. Higher prices were reported for hogs, for live poultry and eggs, and for potatoes. Farm product prices have declined 0.7% since early in June and are 1.5% lower than at the beginning of July, 1943.

"Led by a decline of more than 4% in prices for fresh fruits and vegetables, average prices for foods at the primary market level dropped 0.7%. Meats decreased 0.3% with lower prices reported for cured pork and dressed poultry. Prices were higher for flour and bread in some markets. Notwithstanding the recent decline, food prices are 0.6% higher than at this time last month but in the past year they have declined 1.2%.

"Industrial commodities — Industrial commodity markets continued steady, with the indexes for hides and leather products, textile products, fuel and lighting materials, and metals and metal products remaining unchanged at last week's levels.

"Lower prices for turpentine and rosin brought average prices for building materials down 0.1%. An increase of 0.1% occurred in the index for the chemicals and allied products group as a result of OPA action in granting higher ceiling prices for phosphate rock to compensate for increased wage rates."

The following notation was also included in the Department's report:

Note—During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following tables show (1) index numbers for the principal groups of commodities for the past three weeks, for June 10, 1944 and July 10, 1943, and the percentage changes from a week ago, a month ago, and a year ago, and (2) percentage changes in subgroup indexes from July 1 to 8, 1944.

WHOLESALE PRICES FOR WEEK ENDED JULY 8, 1944

(1926=100)

Commodity Groups—	7-8 1944	7-1 1944	6-24 1944	6-10 1944	7-10 1943	Percentage change to July 8, 1944 from— 7-1 1944	6-10 1944	7-10 1943
All commodities	*103.9	*104.1	*103.7	*104.0	103.0	—0.2	—0.1	+ 0.9
Farm products	124.1	125.5	123.0	125.0	126.0	—1.1	—0.7	— 1.5
Foods	106.0	106.7	104.9	105.4	107.3	—0.7	+0.6	— 1.2
Hides and leather products	116.8	116.8	117.7	117.7	118.4	0	—0.8	— 1.4
Textile products	97.3	97.3	97.3	97.3	96.9	0	0	+ 0.4
Fuel and lighting materials	83.8	83.8	83.8	83.7	81.5	0	+0.1	+ 2.8
Metals and metal products	*103.8	*103.8	*103.8	*103.8	103.8	0	0	0
Building materials	115.8	115.9	115.9	115.8	110.5	—0.1	0	+ 4.8
Chemicals and allied products	105.4	105.3	105.3	105.3	100.1	+0.1	+0.1	+ 5.3
Housefurnishing goods	106.0	106.0	106.0	106.0	104.3	0	0	+ 1.6
Miscellaneous commodities	93.3	93.3	93.3	93.3	91.6	0	0	+ 1.9
Raw materials	113.8	114.6	113.2	114.4	114.0	—0.7	—0.5	— 0.2
Semimanufactured articles	93.7	93.7	93.7	93.7	92.7	0	0	+ 1.1
Manufactured products	*101.1	*101.1	*101.1	*101.0	99.6	0	+0.1	+ 1.5
All commodities other than farm products	*99.5	*99.5	*99.5	*99.5	98.1	0	0	+ 1.4
All commodities other than farm products and foods	*98.7	*98.7	*98.7	*98.7	96.9	0	0	+ 1.9

*Preliminary.

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JULY 1, 1944 TO JULY 8, 1944

Increases

Fertilizer materials	0.4	Cereal products	0.3
Other foods	0.1		

Decreases

Fruits and vegetables	4.1	Livestock and poultry	0.5
Other farm products	1.7	Paint and paint materials	0.5
Grains	0.5	Meats	0.3

May Hotel Sales Higher

In its July bulletin, Horwath & Horwath, New York, public accountants, report that "May had the smallest increases in sales over the year before in more than two years, since the spring of 1942. That in total sales was only 9%, with room sales up 7%, food sales, 11% and beverages, 8%." "And from now on," says the Bulletin, "gains must be moderate for it was in the middle of 1942 that the real pickup for hotels began and the increases for the rest of that year and all through 1943 were large. May of last year had a 30% total gain over the same month of the year before, which in turn was up 11% over 1941. The total average occupancy remained at the top figure reached so far for the country in general—88%, which has been sustained for the last four months and is therefore the average for 1944 to date."

The firm supplies the following statistical data:

MAY, 1944, COMPARED WITH MAY, 1943

	Sales, Increase or Decrease— Total*	Rooms	Total Restaurant	Food	Beverages	Occupancy May 1944	May 1943	Room Rate† Increase or Decr.
New York City	+ 8%	+ 7%	+10%	+14%	+ 2%	90%	88%	+ 5%
Chicago	+ 6	+ 5	+ 7	+ 7	+ 7	95	93	+ 3
Philadelphia	+ 4	+ 9	— 1	+ 3	— 7	81	80	+ 8
Washington	+ 1	+ 1	+ 1	+ 1	+ 2	85	86	+ 2
Cleveland	+11	+15	+ 8	+19	—11	90	88	+13
Detroit	+ 6	+ 5	+ 7	+10	+ 2	92	90	+ 3
Pacific Coast	+12	+12	+11	+ 3	+23	88	86	+ 9
Texas	+ 6	+ 3	+10	+11	+ 5	86	86	+ 3
All others	+ 9	+ 7	+11	+13	+ 8	86	83	+ 3
Total	+ 9%	+ 7%	+10%	+11%	+ 8%	88%	85%	+ 4%
Year to Date	+15%	+11%	+18%	+18%	+18%	88%	83%	+ 5%

†The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

Civil Engineering Construction $62,510,000 For Week—Second Highest Weekly Volume Of Year

Civil engineering construction volume in continental United States totals $62,510,000 for the week, the second highest weekly total reported to "Engineering News-Record" in 1944, and made public on July 13. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, tops the $18,922,000 reported for the holiday-shortened preceding week and is 74% above the previous four-week moving average, but is 40% lower than in the corresponding 1943 week, said the report, and added:

Public work is 41% below the week last year as a result of the 48% drop in Federal construction. State and municipal work exceeds a year ago by 76%. Private construction declines 33% from the 1943 week.

The current week's construction brings 1944 volume of $973,262,000 for the 28-week period, 51% below the $1,972,417,000 reported in 1943. Private construction for the year to date, $212,295,000, is down 13%, and public construction, $760,967,000, is 56% lower, due to the 60% decrease in Federal volume.

Civil engineering construction volumes for the 1943 week, the short preceding week, and the current week, are:

	July 15, '43 (Five Days)	July 6, '44 (Four Days)	July 13, '44 (Five Days)
Total U. S. construction	$104,015,000	$18,922,000	$62,510,000
Private construction	13,484,000	1,801,000	9,013,000
Public construction	90,531,000	17,121,000	53,497,000
State and municipal	5,106,000	3,266,000	8,966,000
Federal	85,425,000	13,855,000	44,531,000

In the classified construction groups, industrial buildings and commercial building and large-scale private housing are above their respective 1943 week's totals. All classes of work report gains over the short preceding week. Subtotals for the week in each class of work are: waterworks, $1,800,000; sewerage, $910,000; bridges, $250,000; industrial buildings, $2,846,000; commercial building and large-scale private housing, $4,128,000; public buildings, $14,285,000; earthwork and drainage, $805,000; streets and roads, $8,258,000; and unclassified construction, $29,228,000.

New capital for construction purposes for the week totals $998,000, and is made up entirely of State and municipal bond sales. The week's new financings brings 1944 volume to $447,297,000, a figure that compares with $2,918,015,000 for the 28-week period in 1943.

Non-Ferrous Metals—Copper and Zinc Output And Deliveries For June On Reduced Scale

"E. & M. J. Metal and Mineral Markets," in its issue of July 13, stated: "June statistics issued by the copper and zinc industries revealed that deliveries of both metals declined rather sharply, compared with May. In view of the high rate of activity that has prevailed since March, some letdown in the movement of the metals was expected. Deliveries of these important war materials are expected to continue well below peak levels in the current month. Production of copper and zinc declined, owing to the labor shortages at mines and smelters. Iridium is in better supply and the price has been lowered to $120 per troy ounce, against the former price of $165. Indium is easier. Quicksilver remains unsettled, and on quantity business there were sellers at $97 per flask, New York, a drop of $1." The publication further went on to say in part:

Copper

Deliveries of copper to domestic consumers during June totaled 140,932 tons, which compares with the peak of 165,714 tons established in May. The drop in deliveries was larger than most observers expected, but few in the industry attached any great importance to the shrinkage in the movement of metal from producers to consumers. Deliveries over the first six months of 1944 averaged 140,819 tons a month. Production during June declined because of the labor situation.

[The Copper Institute's statistics for June were given in last week's Chronicle, page 208.—Ed.]

At a meeting of the Brass Mill Industry Advisory Committee it was again emphasized that the alloy rod situation remains extremely critical, WPB announced on July 10. Those attending the meeting were informed that every effort must be made to obtain sufficient production to meet the war requirements for the remainder of the year.

Lead

Though the strike in Mexico remains to be settled at some important properties, including the smelter at Chihuahua, operations have been resumed on a scale that provides a fair flow of lead from the refineries of that country. Moreover, the industry believes that all properties in Mexico should be in production shortly, and uncertainty about obtaining sufficient supplies has virtually disappeared.

Demand for lead in the domestic market continues at a substantial level, despite the warm weather. Sales for the last week involved 7,575 tons against 8,859 tons in the preceding week. Call at present is for August metal, and producers report that they could have disposed of a much larger tonnage last week without difficulty. With production still declining, the tendency on the part of sellers is to distribute metal with more regard to the over-all supply situation.

Secondary smelters report a reduction in intake of battery scrap, which is attributed to the growing scarcity of labor for handling such material.

Zinc

The June slab zinc statistics revealed that both production and shipments declined, with shipments down to a lower level than most observers expected. The result was another increase in stocks, from 217,981 tons (revised) at the end of May to 225,449 tons at the end of June. A summary of the American Zinc Institute's figures follows:

	May	June
Production	80,497	73,071
Production, daily rate	2,597	2,436
Shipments:		
Domestic	80,289	65,306
Export	235	297
	*80,524	65,603
Unfilled orders	29,634	26,572
Stock at end	*217,981	225,449

*Revised.

Restrictions on zinc sheet for use in making printing plates have been eased. An amendment to M-339 permits plate makers to use 100% by weight, of the amount of zinc used in the corresponding calendar quarter of 1941, instead of 60%.

Magnesium Production Off

Primary magnesium production in April was 37,846,000 pounds, against 41,015,000 pounds in March, the Aluminum and Magnesium Division reports. This decrease in production reflected for the first time the curtailment in the magnesium metal program.

Secondary recovery of magnesium for April was 2,272,000 pounds, against 3,576,000 pounds (revised) in March.

Tin

The tin situation remains unchanged. Supplies are ample for the restricted requirements of consumers.

Straits quality tin for shipment, in cents per pound, was as follows:

	July	August	Sept.
July 6	52.000	52.000	52.000
July 7	52.000	52.000	52.000
July 8	52.000	52.000	52.000
July 10	52.000	52.000	52.000
July 11	52.000	52.000	52.000
July 12	52.000	52.000	52.000

Chinese, or 99% tin, was unchanged at 51.125c. per pound.

Quicksilver

Most sellers regard the price situation as unchanged in so far as small-lot transactions are concerned, but on 50 flasks or more the quotations are viewed as being more or less nominal, and the range in prices has been revised in some directions to $97 to $103 per flask, or $1 lower than in the preceding week. Should some inquiries now in the market materialize into business, there is a chance that the price structure might steady.

Import control on quicksilver (metal and ore) will be lifted, WPB announced on July 6. At present little so-called free metal is available from foreign sources, but this situation may change later in the year. Metals Reserve is still buying foreign quicksilver, but not at a fixed price.

Silver

The London market for silver was quiet and unchanged at 23½d. The New York Official for foreign silver continued at 44¾c.

Dr. Eduardo Suarez, Chairman of the Mexican delegation to the International Monetary Conference, Bretton Woods, N. H., has asked that the proposed $8,000,000,000 stabilization fund be used to apply the United States' silver policy on a broader basis to protect the interests of small silver-producing and silver-using countries against fluctuations of price.

Danes Called By Hull One Of United Nations

Secretary of State Cordell Hull, in effect, welcomed the Danish people into the family of the United Nations on July 12, said United Press advices from Washington, which further stated:

Secretary Hull's formal statement, which he read to his news conference, obviously was inspired by the recent Danish revolt against German occupation authorities — a revolt that lasted about a week and resulted in at least 100 deaths and 700 injuries to Danish citizens.

"The Danes have steadfastly opposed the attempts by the Germans to establish a 'model protectorate' in what once was and will again be a free and sovereign country" he said.

"Their stand, inspired by leaders within and without Denmark, associates them with the people of the other countries who firmly resist the German oppressors and whose conduct sets an example to the people of other lands whose craven leaders succumbed to the false promises of the Axis.

"There is no Danish government which can give expression to the feelings of Denmark by adhering to the United Nations' declaration. We recognize, however, that the Danish people have placed themselves side by side with the people of the United Nations and like them are determined to contribute to the common struggle for victory over Nazism and for the attainment of the aims of the Atlantic Charter."

Trading On New York Exchanges

The Securities and Exchange Commission made public on July 8 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended June 24, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended June 24 (in round-lot transactions) totaled 3,228,864 shares, which amount was 16.75% of the total transactions on the Exchange of 9,637,200 shares. This compares with member trading during the week ended June 17 of 4,230,450 shares, or 16.68% of the total trading of 12,680,200 shares. On the New York Curb Exchange, member trading during the week ended June 24 amounted to 561,770 shares, or 13.86% of the total volume on that exchange of 2,026,740 shares; during the June 17 week trading for the account of Curb members of 586,070 shares was 14.64% of total trading of 2,001,690 shares.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED JUNE 24, 1944

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	227,810	
‡Other sales	9,409,390	
Total sales	9,637,200	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	742,450	
Short sales	104,660	
‡Other sales	672,210	
Total sales	776,870	7.88
2. Other transactions initiated on the floor—		
Total purchases	607,610	
Short sales	33,250	
‡Other sales	554,980	
Total sales	588,230	6.20
3. Other transactions initiated off the floor—		
Total purchases	235,349	
Short sales	18,600	
‡Other sales	259,755	
Total sales	278,355	2.67
4. Total—		
Total purchases	1,585,409	
Short sales	156,510	
‡Other sales	1,486,945	
Total sales	1,643,455	16.75

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED JUNE 24, 1944

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	17,720	
‡Other sales	2,009,020	
Total sales	2,026,740	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	169,460	
Short sales	9,270	
‡Other sales	171,510	
Total sales	180,780	8.64
2. Other transactions initiated on the floor—		
Total purchases	41,690	
Short sales	3,600	
‡Other sales	38,000	
Total sales	41,600	2.06
3. Other transactions initiated off the floor—		
Total purchases	52,805	
Short sales	2,000	
‡Other sales	73,435	
Total sales	75,435	3.16
4. Total—		
Total purchases	263,955	
Short sales	14,870	
‡Other sales	282,945	
Total sales	297,815	13.86
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	73,542	
Total purchases	73,542	
Total sales	52,395	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

National Fertilizer Association Commodity Price Index Unchanged

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on July 17, remained unchanged in the week ending July 15 at 138.0, the same as in the preceding week. A month ago this index registered 137.3 and a year ago 134.6, based on the 1935-1939 average as 100. The Association's report continued as follows:

The farm products group remained unchanged from last week after having advanced steadily for four consecutive weeks. Higher prices were quoted on wheat and rye while prices for oats and timothy hay declined. The livestock group also remained unchanged from the previous week as higher quotations for good cattle, heavy weight hogs, and lambs offset lower prices for choice cattle, light weight hogs, ewes, and live fowls. Lower prices for potatoes caused the foods group to decline fractionally after having advanced steadily for six consecutive weeks. Increasing expectations of a German military collapse and continued favorable weather in the cotton belt brought about a slight decline in raw cotton. However, increased prices for denim were sufficient to counterbalance the decline in cotton and leave the textile index number unchanged from the previous week. The fertilizer materials group advanced fractionally as higher prices for superphosphate were more than sufficient to offset lower quotations for urea-ammonia liquor. All other group indexes remained unchanged from last week.

During the week price changes in the index were evenly balanced with 9 price series advancing and 9 declining; in the preceding week there were 8 advances and 5 declines; and in the second preceding week there were 12 advances and 5 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week July 15, 1944	Preceding Week July 8, 1944	Month Ago June 17, 1944	Year Ago July 17, 1943
25.3	Foods	140.8	140.9	138.7	138.0
	Fats and Oils	145.1	145.1	144.9	145.1
	Cottonseed Oil	163.1	163.1	163.1	159.0
23.0	Farm Products	159.8	159.8	156.0	152.3
	Cotton	208.0	208.6	205.0	199.8
	Grains	160.2	160.1	162.5	145.7
	Livestock	151.6	151.6	145.4	145.6
17.3	Fuels	130.1	130.1	130.1	122.8
10.8	Miscellaneous commodities	132.2	132.2	132.2	130.1
8.2	Textiles	153.3	153.3	152.9	151.2
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	153.4	153.4	153.4	152.6
1.3	Chemicals and drugs	126.9	126.9	127.7	126.6
.3	Fertilizer materials	118.3	118.1	117.7	117.7
.3	Fertilizers	119.7	119.7	119.7	119.8
.3	Farm machinery	104.5	104.5	104.4	104.1
100.0	All groups combined	138.0	138.0	137.3	134.6

*Indexes on 1926-1928 base were: July 15, 1944, 107.5; July 8, 107.5, and July 17, 1943, 104.9.

Weekly Coal and Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended July 8, 1944 is estimated at 8,655,000 net tons, no cars of coal being loaded on July 4, Independence Day. This compares with 12,050,000 tons in the preceding week and 11,076,000 tons in the corresponding week of last year. Cumulative production of soft coal from Jan. 1 to July 8 totaled about 329,735,000 tons, as against 300,363,000 tons in the same period in 1943, a gain of 9.8%.

Production of Pennsylvania anthracite for the week ended July 8, 1944, as estimated by the United States Bureau of Mines, was 882,000 tons, a decrease of 405,000 tons (31.5%) from the preceding week. When compared with the output in the corresponding week of 1943, there was a decrease of 363,000 tons (29.2%). The calendar year to date shows an increase of 10.5% when compared with the corresponding period of 1943.

The Bureau of Mines also reported that the estimated production of beehive coke in the United States in the week ended July 8, 1944 showed a decrease of 20,300 tons when compared with the output for the week ended July 1; and was 1,000 tons more than for the corresponding week of 1943.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS

Bituminous coal and lignite—	Week Ended July 8, 1944	Week Ended July 1, 1944	Week Ended July 10, 1943	January 1 to Date *July 8, 1944	January 1 to Date July 10, 1943	January 1 to Date July 10, 1937
Total incl. mine fuel	8,655,000	12,050,000	11,076,000	329,735,000	300,363,000	234,200,000
Daily average	†1,731,000	2,008,000	‡1,943,000	2,048,000	1,854,000	1,460,000

*Subject to current ajustment. †Average based on 5 working days. ‡July 5, 1943, weighted as 0.7 of a normal working day.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

Penn. anthracite—	Week Ended ‡July 8, 1944	Week Ended §July 1, 1944	Week Ended July 10, 1943	Calendar Year to Date July 8, 1944	Calendar Year to Date July 10, 1943	Calendar Year to Date July 10, 1937
*Total incl. coll. fuel	882,000	1,287,000	1,245,000	34,220,000	30,960,000	29,513,000
†Commercial produs.	847,00	1,236,000	1,195,000	32,853,000	29,722,000	28,037,000
Beehive coke—						
United States total	128,400	148,700	127,400	4,047,600	3,980,400	1,924,400

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Subject to revision. §Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	Week Ended July 1, 1944	Week Ended June 24, 1944	Week Ended July 3, 1943	Week Ended July 3, 1937
Alabama	380,000	379,000	179,000	255,000
Alaska	5,000	5,000	4,000	4,000
Arkansas and Oklahoma	88,000	90,000	67,000	20,000
Colorado	131,000	121,000	130,000	77,000
Georgia and North Carolina	1,000	1,000	*	*
Illinois	1,464,000	1,527,000	1,436,000	692,000
Indiana	547,000	527,000	473,000	238,000
Iowa	46,000	50,000	41,000	20,000
Kansas and Missouri	163,000	156,000	154,000	85,000
Kentucky—Eastern	940,000	926,000	850,000	685,000
Kentucky—Western	381,000	374,000	263,000	128,000
Maryland	41,000	40,000	40,000	26,000
Michigan	3,000	3,000	2,000	*
Montana (bitum. & lignite)	77,000	74,000	79,000	40,000
New Mexico	38,000	29,000	37,000	32,000
North & South Dakota (lignite)	41,000	37,000	34,000	14,000
Ohio	740,000	695,000	618,000	393,000
Pennsylvania (bituminous)	3,005,000	2,980,000	1,901,000	2,003,000
Tennessee	130,000	147,000	122,000	103,000
Texas (bituminous & lignite)	2,000	2,000	2,000	19,000
Utah	144,000	146,000	102,000	45,000
Virginia	380,000	377,000	400,000	257,000
Washington	29,000	30,000	24,000	35,000
†West Virginia—Southern	2,008,000	2,133,000	2,209,000	1,653,000
‡West Virginia—Northern	1,112,000	996,000	838,000	480,000
Wyoming	154,000	155,000	160,000	71,000
§Other Western States	*	*	*	*
Total bituminous & lignite	12,050,000	12,000,000	10,165,000	7,375,000
Pennsylvania anthracite	1,291,000	1,239,000	626,000	989,000
Total, all coal	13,341,000	13,239,000	10,791,000	8,364,000

†Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason and Clay counties. ‡Rest of State, including the Panhandle District and Grant, Mineral and Tucker counties. §Includes Arizona and Oregon. *Less than 1,000 tons.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on July 12 a summary for the week ended July 1 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended July 1, 1944

	Total for Week
Odd-Lot Sales by Dealers (Customers' purchases)	
Number of orders	27,378
Number of shares	817,296
Dollar value	$28,161,859
Odd-Lot Purchases by Dealers—(Customers' sales)	
Number of Orders:	
Customers' short sales	352
*Customers' other sales	27,790
Customers' total sales	28,142
Number of Shares:	
Customers' short sales	6,624
*Customers' other sales	780,937
Customers' total sales	787,561
Dollar value	$23,174,002
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	20
†Other sales	222,320
Total sales	222,340
Round-Lot Purchases by Dealers:	
Number of shares	233,930

*Sales marked "short exempt" are reported with "other sales."

†Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Business Failures Lower

June business failures were lower in both number and amount of liabilities involved than in May. Business insolvencies in June, according to Dun & Bradstreet, totaled 110 and involved $1,854,000 liabilities, as compared with 148 involving $2,697,000 in May and 265 involving $6,076,000 in June a year ago.

The decrease in the number of failures in June from May took place in all the divisions of trade into which the report is divided. When the amount of liabilities is considered it is found that all of the groups, with the exception of the Commercial Service Group, had smaller amounts of liabilities in June than in May.

Manufacturing failures last month numbered 31, involving $1,071,000 liabilities, compared with 34 in May with $1,293,000 liabilities. Wholesale failures decreased from 11 to 7 and the liabilities from $150,000 in May to $95,000 in June. In the retail trade section insolvencies were down from 63 to 51 and liabilities from $903,000 in May to $305,000 in June. Construction failures numbered 12 in June with $159,000 liabilities, which compares with 26 with $249,000 liabilities in May. Commercial Service failures numbered 9 in June as against 14 in May and liabilities $224,000 against $102,000 in May.

When the country is divided into Federal Reserve Districts, it is learned that the Atlanta and Chicago Reserve Districts had more failures in June than in May, the Minneapolis and Dallas Reserve Districts again do not report any failures, the Richmond, St. Louis and Kansas City Reserve Districts report the same number, while all of the remaining districts show fewer failures in June than in May. When the amount of liabilities involved is considered, it is found that outside of the districts that did not report any failures the Boston, New York, Philadelphia, Chicago and San Francisco Reserve Districts had fewer liabilities involved in June than in May and the remaining districts had more.

Daily Average Crude Oil Production For Week Ended July 8, 1944 Decreased 7,750 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 8, 1944 was 4,579,000 barrels, or 7,750 barrels per day less than in the preceding week and 27,100 barrels below the daily average figure as recommended by the Petroleum Administration for War for the month of July, 1944. The current figure, however, was 488,750 barrels per day higher than in the week ended July 10, 1943. Daily production for the four weeks ended July 8, 1944 averaged 4,579,300 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,645,000 barrels of crude oil daily and produced 13,539,000 barrels of gasoline; 1,426,000 barrels of kerosine; 4,548,000 barrels of distillate fuel oil, and 9,009,000 barrels of residual fuel oil during the week ended July 8, 1944; and had in storage at the end of that week 83,709,000 barrels of gasoline; 9,937,000 barrels of kerosine; 36,189,000 barrels of distillate fuel, and 53,686,000 barrels of residual fuel oil. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations July	*State Allowables begin. July 1	Actual Production Week Ended July 8, 1944	Change from Previous Week	4 Weeks Ended July 8, 1944	Week Ended July 10, 1943
Oklahoma	332,000	332,000	†337,900	— 400	335,100	355,050
Kansas	274,000	269,400	†266,250	— 8,450	278,700	280,150
Nebraska	1,000	----	†900	— 100	1,000	2,100
Panhandle Texas			89,150	— 3,000	91,400	90,400
North Texas			151,550	+ 2,150	149,900	137,700
West Texas			463,100	+15,200	451,700	245,600
East Central Texas			148,350	+ 3,350	145,800	128,000
East Texas			363,550	+ 3,000	361,300	371,000
Southwest Texas			319,750	+ 6,800	314,700	230,000
Coastal Texas			531,400	+ 2,950	529,200	412,900
Total Texas	2,064,000	‡2,064,698	2,066,850	+30,450	2,044,000	1,615,600
North Louisiana			71,300	— 1,450	73,100	85,100
Coastal Louisiana			285,400	— 3,350	287,900	264,000
Total Louisiana	350,000	389,000	356,700	— 4,800	361,000	349,100
Arkansas	78,000	77,991	80,400	+ 150	80,300	76,850
Mississippi	41,000		44,150	+ 250	44,100	51,200
Alabama			150	----	100	----
Florida			50	----	50	----
Illinois	215,000		208,450	— 200	208,500	219,950
Indiana	14,600		13,950	+ 1,750	12,900	13,700
Eastern— (Not incl. Ill., Ind., Ky.)	71,200		62,150	— 9,400	67,400	74,050
Kentucky	22,000		21,850	— 2,850	21,900	22,900
Michigan	51,000		51,400	— 500	50,200	55,600
Wyoming	94,000		80,650	—13,300	87,600	90,250
Montana	24,400		22,100	----	21,700	20,900
Colorado	7,400		8,300	+ 750	8,100	6,800
New Mexico	113,000	113,000	108,000	----	108,000	97,150
Total East of Calif.	3,752,600		3,730,200	— 6,650	3,730,100	3,311,350
California	853,500	§853,500	848,800	— 1,100	849,200	778,900
Total United States	4,606,100		4,579,000	— 7,750	4,579,300	4,090,250

*P.A.W. recommendations and state allowables, as shown above, represent the production of crude oil only, and do not include amounts of condensate and natural gas derivatives to be produced.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. July 6, 1944.

‡This is the net basic allowable as of July 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 1 to 15 days, the entire state was ordered shut down for 7 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 7 days shutdown time during the calendar month. §Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JULY 8, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are —therefore on a Bureau of Mines basis—

District—	Daily Refining Capacity Potential Rate	% Reporting	Crude Runs to Stills Daily Average	% Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuel Oil	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast Texas Gulf, Louisiana Gulf, North Louisiana-Arkansas, and inland Texas	2,518	90.3	2,460	97.7	6,896	36,361	20,099	15,636
Appalachian— District No. 1	130	83.9	95	73.1	305	2,331	424	328
District No. 2	47	87.2	60	127.7	179	1,563	196	195
Ind., Ill., Ky.	824	85.2	766	93.0	2,690	18,684	5,508	3,628
Okla., Kans., Mo.	418	80.2	379	90.7	1.328	7.179	1.590	1.488
Rocky Mountain— District No. 3	13	17.0	12	92.3	35	66	4	36
District No. 4	141	58.3	94	66.7	294	2,378	337	621
California	817	89.9	779	95.3	1,812	15,147	8,031	31,754
Total U. S. B. of M. basis July 8, 1944	4,908	87.2	4,645	94.6	13,539	†83,709	36,189	53,686
Total U. S. B. of M. basis July 1, 1944	4,908	87.2	4,638	94.5	14,052	83,559	35,360	52,235
U. S. Bur. of Mines basis July 10, 1943			3,929		11,192	76,668	33,221	66,681

*At the request of the Petroleum Administration for War. †Finished, 71,373,000 barrels; unfinished, 12,336,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,426,000 barrels of kerosine, 4,548,000 barrels of gas oil and distillate fuel oil and 9,009,000 barrels of residual fuel oil produced during the week ended July 8, 1944, which compares with 1,523,000 barrels, 4,496,000 barrels and 8,872,000 barrels, respectively, in the preceding week and 1,294,000 barrels, 3,506,000 barrels and 8,185,000 barrels, respectively, in the week ended July 10, 1943.

Note—Stocks of kerosine at July 8, 1944 amounted to 9,937,000 barrels, as against 9,682,000 barrels a week earlier and 8,245,000 barrels a year before.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following table:

MOODY'S BOND PRICES†
(Based on Average Yields)

1944— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
July 18	120.19	112.56	118.80	117.00	112.19	102.96	106.39	114.08	117.40
17	120.18	112.56	118.60	117.00	112.37	102.96	106.39	114.08	117.40
15	120.19	112.56	118.60	117.20	112.19	102.96	106.39	114.08	117.40
14	120.23	112.56	118.60	117.20	112.19	103.13	106.39	114.08	117.40
13	120.27	112.37	118.80	117.00	112.00	102.96	106.39	114.08	117.40
12	120.30	112.37	118.60	117.00	112.00	103.13	106.39	114.08	117.20
11	120.33	112.56	118.80	117.00	112.19	102.96	106.39	114.08	117.40
10	120.34	112.37	118.60	117.00	112.19	102.96	106.39	114.08	117.40
8	120.33	112.37	118.60	117.00	112.19	102.96	106.21	114.08	117.40
7	120.27	112.56	118.60	117.00	112.37	102.96	106.21	114.08	117.40
6	120.23	112.37	118.60	117.00	112.19	102.96	106.21	114.08	117.40
5	120.15	112.37	118.60	116.80	112.19	102.96	106.21	113.89	117.40
4	HOLIDAY								
3	120.15	112.37	118.60	117.00	112.19	102.96	106.21	113.89	117.40
1	120.15	112.37	118.60	116.80	112.19	102.96	106.04	113.89	117.40
June 30	120.15	112.37	118.60	116.80	112.00	102.80	106.04	113.89	117.40
23	120.13	112.19	118.40	116.80	112.00	102.63	106.04	113.89	117.20
16	120.01	112.19	118.40	116.61	112.00	102.63	105.86	113.70	117.20
9	119.88	112.19	118.60	116.61	111.81	102.46	105.69	113.89	117.20
2	119.99	112.19	118.60	116.80	111.81	102.46	105.86	113.89	117.00
May 26	119.66	112.19	118.40	116.80	111.81	102.30	105.86	113.89	117.00
19	119.59	112.00	118.60	116.80	111.81	102.13	105.86	113.89	116.80
12	119.48	112.00	118.60	116.80	111.81	101.64	105.52	113.89	116.80
5	119.48	111.81	118.40	116.61	111.62	101.47	105.52	113.70	116.41
Apr. 28	119.35	111.81	118.40	116.61	111.62	101.47	105.34	113.70	116.41
21	119.75	111.62	118.40	116.41	111.62	101.31	105.17	113.70	116.41
14	119.86	111.62	118.20	116.61	111.44	101.14	105.17	113.70	116.41
6	119.81	111.44	118.20	116.61	111.44	100.98	104.83	113.89	116.22
Mar. 31	119.68	111.44	118.20	116.41	111.25	100.81	104.66	113.70	116.22
Feb. 25	120.21	111.25	118.20	116.41	111.07	100.32	104.31	113.50	116.22
Jan. 28	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41
High 1944	120.44	112.56	118.80	117.20	112.37	103.13	106.39	114.08	117.40
Low 1944	119.34	110.70	118.20	116.22	110.88	99.04	103.30	113.12	116.02
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
1 Year Ago July 17, 1943	120.43	111.25	119.20	116.80	111.44	99.20	103.13	114.27	117.20
2 Years Ago July 18, 1942	118.22	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.27

MOODY'S BOND YIELD AVERAGES
(Based on Individual Closing Prices)

1944— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
July 18	1.78	3.03	2.71	2.80	3.05	3.57	3.37	2.95	2.78
17	1.79	3.03	2.72	2.80	3.04	3.57	3.37	2.95	2.78
15	1.78	3.03	2.72	2.79	3.05	3.57	3.37	2.95	2.78
14	1.78	3.03	2.72	2.79	3.05	3.56	3.37	2.95	2.78
13	1.78	3.04	2.71	2.80	3.06	3.57	3.37	2.95	2.78
12	1.77	3.04	2.72	2.80	3.06	3.56	3.37	2.95	2.79
11	1.77	3.03	2.71	2.80	3.05	3.57	3.37	2.95	2.78
10	1.77	3.04	2.72	2.80	3.05	3.57	3.37	2.95	2.78
8	1.77	3.04	2.72	2.80	3.05	3.57	3.38	2.95	2.78
7	1.78	3.03	2.72	2.80	3.04	3.57	3.38	2.95	2.78
6	1.78	3.04	2.72	2.80	3.05	3.57	3.38	2.95	2.78
5	1.79	3.04	2.72	2.81	3.05	3.57	3.38	2.96	2.78
4	HOLIDAY								
3	1.79	3.04	2.72	2.80	3.05	3.57	3.38	2.96	2.78
1	1.79	3.04	2.72	2.81	3.05	3.57	3.38	2.96	2.78
June 30	1.79	3.04	2.72	2.81	3.06	3.58	3.39	2.96	2.78
23	1.79	3.05	2.73	2.81	3.06	3.59	3.39	2.96	2.79
16	1.80	3.05	2.73	2.82	3.06	3.59	3.40	2.97	2.79
9	1.82	3.05	2.72	2.82	3.07	3.60	3.41	2.96	2.79
2	1.81	3.05	2.72	2.81	3.07	3.60	3.40	2.96	2.80
May 26	1.84	3.05	2.73	2.81	3.07	3.61	3.40	2.96	2.80
19	1.84	3.06	2.72	2.81	3.07	3.62	3.40	2.96	2.81
12	1.85	3.06	2.72	2.81	3.07	3.65	3.42	2.96	2.81
5	1.85	3.07	2.73	2.82	3.08	3.66	3.42	2.97	2.83
Apr. 28	1.86	3.07	2.73	2.82	3.08	3.66	3.43	2.97	2.83
21	1.83	3.08	2.73	2.83	3.08	3.67	3.44	2.97	2.83
14	1.82	3.08	2.74	2.82	3.09	3.68	3.44	2.97	2.83
6	1.83	3.09	2.74	2.82	3.09	3.69	3.46	2.96	2.84
Mar. 31	1.83	3.09	2.74	2.83	3.10	3.70	3.47	2.97	2.84
Feb. 25	1.81	3.10	2.74	2.83	3.11	3.73	3.49	2.98	2.84
Jan. 28	1.87	3.11	2.74	2.84	3.11	3.74	3.50	2.99	2.83
High 1944	1.87	3.13	2.74	2.84	3.12	3.81	3.55	3.00	2.85
Low 1944	1.77	3.03	2.71	2.79	3.04	3.56	3.37	2.95	2.78
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78
1 Year Ago July 17, 1943	1.82	3.10	2.69	2.81	3.09	3.80	3.56	2.94	2.79
2 Years Ago July 18, 1942	1.99	3.35	28.3	3.00	3.28	4.30	4.02	3.09	2.94

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

Steel Operations Again Increased — Volume Of Orders Up And Down — Mill Schedules Revised

"At times resembling an orderly free-for-all with everyone well posted on his part, the steel and allied industries this week were (1) boosting output slightly to make up for recent losses, (2) rejuggling schedules so as to make the maximum number of items required by the armed forces, and (3) actively exploring, in thought at least, the problems and difficulties which are expected to follow the end of the European war," the "Iron Age" states in its issue of today (July 20), further adding:

"After having been affected by heat, manpower shortages and holidays, the steel ingot rate this week gained some ground. Whether or not this gain can be retained or exceeded remains to be seen. If no improvement is noted in the near future, it will not be because the industry has failed to try every plan known to the 'old heads' as well as the 'new heads' to keep the rate up.

"Order volume was up in some areas and down in others with the aggregate showing little change from a week ago. A small share of the decline may stem from the fact that forging and other plants lost considerable output due to recent heat waves. Some shops have reported production declines of as much as 40% due to absenteeism and other reasons.

"Cancellations were coming through in the past week on sheet orders originally slated for the shell container program which was cut back recently by the War Department. This has had little or no effect upon the general sheet market since the material concelled in many cases represented unfilled tonnage. It was reported that some sheet users, desperate for deliveries, are drawing on warehouses for unusually large quantities. No immediate relief on extended sheet promises is in prospect for a variety of reasons.

"Some centers believe that whether the war ends or not this year there is little chance for civilian steel allocations to be any larger than they are at present. The automotive industry is one that definitely shares this view. K. T. Keller, President of Chrysler Corp., has said that to resume production of automobiles, about 50% of the war contracts would have to be removed from the Detroit area. He indicated that the Army recently placed many highly complicated production jobs in that area and with a shortage of engineers no production is feasible until Germany is defeated."

The American Iron and Steel Institute on July 17 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 97.2% of capacity for the week beginning July 17, compared with 95.7% one week ago, 97.3% one month ago and 97.7% one year ago. The operating rate for the week beginning July 17 is equivalent to 1,741,800 tons of steel ingots and castings, compared to 1,714,300 tons one week ago, 1,742,900 tons one month ago, and 1,702,200 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on July 17 stated in part as follows:

"Concerted action is being taken to remove from steel mill order books every ton of carbon steel possible, as backlogs are heavy for war requirements, with growing labor shortages and tightness in semi-finished steel.

"Inventories and delivery schedules are being scrutinized closely with a view to reducing carryover tonnage on various products, notably plates and sheets. Even tonnage under directives is being affected by the reshuffling, as deliveries on steel already on order books are being changed to give preference to those most importantly needed for war purposes. Mill schedules appear likely to undergo further revisions to obtain greater stability.

"Consumers nave placed orders to the limit of allotments, the services are covered into next year on known program requirements and large tonnage for 1945 is being lined up for pontoons, landing mats and artillery shells, among others. This extends delivery into first quarter on numerous products and beyond on some, causing new buying to slacken.

"A factor in the tightening supply of semifinished is heavy artillery shell requirements, expected to increase into first quarter at least, with the peak possibly in December or January. This will drain semifinished from other products and probably rail, structural and bar mills will be affected. While buying is less active, pressure for delivery is unabated and backlogs and carryovers are as large as ever. Demand for plates is at peak with no signs of easing. Increase in tank building will be a further tax. Numerous mills are in first quarter on sheet deliveries, with tightness likely to continue. Alloy steel buying is not nearly as heavy as for carbon grades and in some cases deliveries have been moved nearer by several weeks.

"Due to the shorter month, hot weather and lack of workers production of steel plates in June totaled 1,111,561 tons, compared with 1,132,000 tons in May and 1,056,100 tons in June, 1943.

"By reverse lend-lease Great Britain is to supply 10,000 tons of plates per month, which will afford some relief to the present tight situation in that market, under heavy demands for war purposes."

Moody's Daily Commodity Index

Tuesday, July 11, 1944	250.1
Wednesday, July 12	249.1
Thursday, July 13	248.7
Friday, July 14	248.3
Saturday, July 15	248.3
Monday, July 17	248.2
Tuesday, July 18	248.5
Two weeks ago, July 3	248.8
Month ago, June 17	250.0
Year ago, July 17, 1943	243.6
1943 High, April 1	249.8
Low, Jan. 2	240.2
1944 High, March 17	250.2
Low, Jan. 5	247.0

Revenue Freight Car Loadings During Week Ended July 8, 1944 Decreased 152,659 Cars

Loading of revenue freight for the week ended July 8, 1944 which included July 4 holiday totaled 745,141 cars, the Association of American Railroads announced on July 13. This was a decrease below the corresponding week of 1943 of 63,489 cars, or 7.9%, and a decrease below the same week in 1942 of 110,017 cars or 12.9%. The 1942 period did not include July 4 holiday.

Loading of revenue freight for the week of July 8, decreased 152,659 cars, or 17% below the preceding week.

Miscellaneous freight loading totaled 338,652 cars, a decrease of 58,981 cars below the preceding week, and a decrease of 10,151 cars below the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 90,991 cars, a decrease of 15,840 cars below the preceding week, but an increase of 1,417 cars above the corresponding week in 1943.

Coal loading amounted to 124,970 cars, a decrease of 50,470 cars below the preceding week, and a decrease of 39,833 cars below the corresponding week in 1943.

Grain and grain products loading totaled 57,120 cars, a decrease of 1,480 cars below the preceding week but an increase of 2,311 cars above the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of July 8, totaled 40,934 cars, a decrease of 1,500 cars below the preceding week and a decrease of 2,058 cars below the corresponding week in 1943.

Live stock loading amounted to 11,322 cars, a decrease of 2,628 cars below the preceding week, but an increase of 172 cars above the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of July 8, totaled 7,206 cars, a decrease of 2,457 cars below the preceding week, and a decrease of 483 cars below the corresponding week in 1943.

Forest products loading totaled 33,258 cars, a decrease of 16,786 cars below the preceding week and a decrease of 3,968 cars below the corresponding week in 1943.

Ore loading amounted to 75,146 cars, a decrease of 5,825 cars below the preceding week and a decrease of 14,163 cars below the corresponding week in 1943.

Coke loading amounted to 13,682 cars, a decrease of 649 cars below the preceding week, but an increase of 726 cars above the corresponding week in 1943.

All districts reported decreases compared with the corresponding week in 1943, except the Centralwestern and Southwestern. All districts reported decreases compared with 1942 except the Southwestern.

	1944	1943	1942
5 Weeks of January	3,796,477	3,531,811	3,858,479
4 weeks of February	3,159,492	3,055,725	3,122,942
4 weeks of March	3,135,155	3,073,445	3,174,781
5 weeks of April	4,068,625	3,924,981	4,209,907
4 weeks of May	3,446,252	3,363,195	3,311,637
5 weeks of June	4,343,193	4,003,393	4,139,395
Week of July 8	745,141	808,630	855,158
Total	22,694,335	21,761,180	22,672,299

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended July 8, 1944. During the period only 41 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEK ENDED JULY 8

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Eastern District—					
Ann Arbor	229	190	378	1,191	1,455
Bangor & Aroostook	801	915	1,072	465	214
Boston & Maine	5,225	5,096	5,696	13,287	13,352
Chicago, Indianapolis & Louisville	1,125	1,321	1,359	2,025	1,875
Central Indiana	22	23	21	31	32
Central Vermont	870	908	911	2,213	2,397
Delaware & Hudson	4,596	6,596	6,259	11,689	11,656
Delaware, Lackawanna & Western	6,300	7,285	7,492	10,708	12,017
Detroit & Mackinac	199	217	227	144	124
Detroit, Toledo & Ironton	1,716	1,920	1,641	1,022	1,270
Detroit & Toledo Shore Line	269	284	259	1,889	2,307
Erie	10,992	11,681	12,[illegible]44	16,335	18,089
Grand Trunk Western	2,888	3,301	3,286	7,231	7,797
Lehigh & Hudson River	161	150	168	2,242	2,181
Lehigh & New England	1,726	1,893	2,164	1,534	1,510
Lehigh Valley	7,236	8,063	9,081	14,037	15,011
Maine Central	1,768	1,840	2,135	2,400	2,064
Monongahela	4,707	5,459	6,253	361	410
Montour	1,842	2,222	2,396	21	155
New York Central Lines	41,943	52,349	46,361	47,023	49,164
N. Y., N. H. & Hartford	6,389	8,193	9,997	17,027	18,369
New York, Ontario & Western	1,254	1,305	969	3,742	2,537
New York, Chicago & St. Louis	5,985	6,135	7,243	15,495	15,798
N. Y., Susquehanna & Western	311	467	421	1,917	2,112
Pittsburgh & Lake Erie	6,414	6,640	7,684	7,516	8,692
Pere Marquette	4,233	4,176	5,175	7,070	7,002
Pittsburg & Shawmut	720	987	662	21	16
Pittsburg, Shawmut & North	295	377	365	222	317
Pittsburgh & West Virginia	1,076	1,055	1,128	2,493	3,133
Rutland	264	311	372	1,220	925
Wabash	5,586	4,547	5,704	12,154	12,644
Wheeling & Lake Erie	5,095	5,672	5,644	4,332	4,993
Total	132,228	151,558	165,367	209,057	219,618
Allegheny District—					
Akron, Canton & Youngstown	703	720	616	1,296	1,086
Baltimore & Ohio	39,293	39,483	43,216	27,708	30,514
Bessemer & Lake Erie	6,264	6,355	6,261	2,164	1,652
Buffalo Creek & Gauley	*334	214	311	*3	4
Cambria & Indiana	1,117	1,623	2,006	4	9
Central R. R. of New Jersey	5,661	6,389	7,168	18,974	20,494
Cornwall	403	686	627	41	43
Cumberland & Pennsylvania	156	244	278	10	13
Ligonier Valley	92	177	139	27	38
Long Island	1,113	973	819	3,293	3,676
Penn-Reading Seashore Lines	1,555	1,575	1,508	2,930	2,977
Pennsylvania System	77,564	80,392	81,850	60,402	63,039
Reading Co.	11,531	13,012	14,088	26,181	24,433
Union (Pittsburgh)	18,524	19,230	21,362	7,324	7,776
Western Maryland	3,265	3,967	4,099	11,205	11,164
Total	167,575	175,040	184,348	161,562	166,918
Pocahontas District—					
Chesapeake & Ohio	21,025	29,242	27,168	11,292	12,913
Norfolk & Western	15,573	22,098	22,448	7,099	7,805
Virginian	3,010	4,864	4,603	2,127	2,097
Total	39,608	56,204	54,219	20,518	22,815
Southern District—					
Alabama, Tennessee & Northern	306	289	380	392	377
Atl. & W. P.—W. R. R. of Ala.	717	559	692	2,426	2,439
Atlanta, Birmingham & Coast	876	735	949	1,213	1,006
Atlantic Coast Line	9,245	11,247	9,842	9,102	8,650
Central of Georgia	3,324	3,512	4,421	5,029	3,939
Charleston & Western Carolina	619	389	454	1,377	1,648
Clinchfield	1,123	1,558	1,543	2,424	2,585
Columbus & Greenville	182	314	340	309	152
Durham & Southern	101	75	126	472	678
Florida East Coast	733	1,219	924	1,295	1,500
Gainesville Midland	41	38	34	94	91
Georgia	1,080	1,001	1,490	2,447	3,132
Georgia & Florida	409	421	409	588	493
Gulf, Mobile & Ohio	3,790	3,379	4,246	4,041	3,786
Illinois Central System	23,959	24,304	26,212	14,854	17,526
Louisville & Nashville	20,433	24,442	23,347	11,676	10,863
Macon, Dublin & Savannah	135	165	174	810	597
Mississippi Central	231	257	170	627	398
Nashville, Chattanooga & St. L.	2,809	2,839	3,344	4,542	4,279
Norfolk Southern	1,436	2,557	1,521	1,767	1,27[illegible]
Piedmont Northern	312	253	299	1,058	1,298
Richmond, Fred. & Potomac	327	360	644	9,382	9,373
Seaboard Air Line	8,011	9,095	9,739	7,849	7,518
Southern System	19,944	19,466	23,203	22,704	21,655
Tennessee Central	559	568	516	1,011	725
Winston-Salem Southbound	109	101	79	857	702
Total	100,811	109,143	115,103	108,346	106,681
Northwestern District—					
Chicago & North Western	15,737	18,588	22,995	12,517	12,851
Chicago Great Western	1,910	2,133	2,020	3,217	3,232
Chicago, Milw., St. P. & Pac.	15,925	16,034	19,344	9,199	8,837
Chicago, St. Paul, Minn. & Omaha	2,565	3,197	3,109	3,531	3,256
Duluth, Missabe & Iron Range	27,094	31,291	30,798	261	352
Duluth, South Shore & Atlantic	521	1,010	1,337	559	536
Elgin, Joliet & Eastern	8,320	8,166	10,035	9,477	10,976
Ft. Dodge, Des Moines & South	359	376	575	91	79
Great Northern	20,777	24,921	29,411	6,272	5,226
Green Bay & Western	326	346	450	990	880
Lake Superior & Ishpeming	2,607	2,892	2,859	66	55
Minneapolis & St. Louis	1,721	1,421	2,042	2,414	1,903
Minn., St. Paul & S. S. M.	5,504	7,038	8,156	2,973	2,710
Northern Pacific	7,901	9,070	11,207	5,240	5,130
Spokane International	135	114	220	568	539
Spokane, Portland & Seattle	1,013	1,696	2,618	3,211	2,487
Total	112,415	128,293	147,176	60,586	59,055
Central Western District—					
Atch., Top. & Santa Fe System	28,512	23,485	28,072	12,270	11,104
Alton	3,085	3,289	3,096	4,183	4,343
Bingham & Garfield	226	369	673	70	96
Chicago, Burlington & Quincy	16,234	17,730	17,517	11,650	11,609
Chicago & Illinois Midland	2,172	2,736	2,426	903	843
Chicago, Rock Island & Pacific	13,130	12,314	14,773	12,464	11,309
Chicago & Eastern Illinois	2,186	2,382	2,277	6,545	5,684
Colorado & Southern	461	623	713	2,018	1,831
Denver & Rio Grande Western	2,907	2,731	3,306	5,553	5,391
Denver & Salt Lake	551	672	641	30	14
Fort Worth & Denver City	1,487	1,000	1,247	1,518	1,595
Illinois Terminal	2,230	1,581	1,601	1,576	1,571
Missouri-Illinois	1,162	1,042	1,330	557	459
Nevada Northern	20	2,076	1,973	79	119
North Western Pacific	590	746	1,039	655	585
Peoria & Pekin Union	9	5	15	0	0
Southern Pacific (Pacific)	29,005	28,726	30,502	11,990	12,500
Toledo, Peoria & Western	272	208	300	2,272	1,726
Union Pacific System	15,256	14,541	14,754	16,054	16,706
Utah	289	509	557	0	6
Western Pacific	1,898	1,944	2,378	4,005	3,598
Total	121,682	118,709	129,190	94,392	91,089
Southwestern District—					
Burlington-Rock Island	637	402	168	283	229
Gulf Coast Lines	5,438	4,830	3,659	2,423	2,802
International-Great Northern	2,520	2,351	2,526	3,488	2,716
Kansas, Oklahoma & Gulf	228	258	323	1,007	1,127
Kansas City Southern	5,688	5,409	5,202	2,502	3,250
Louisiana & Arkansas	3,565	3,553	4,330	2,763	2,959
Litchfield & Madison	224	369	288	1,045	1,555
Midland Valley	646	696	621	314	270
Missouri & Arkansas	112	155	183	508	461
Missouri-Kansas-Texas Lines	6,629	5,285	5,254	5,141	6,057
Missouri Pacific	17,458	17,436	18,633	19,142	17,643
Quanah Acme & Pacific	93	71	63	334	208
St. Louis-San Francisco	9,004	7,865	9,053	8,332	9,414
St. Louis Southwestern	2,948	2,577	2,676	6,830	7,115
Texas & New Orleans	10,938	13,512	11,431	5,519	5,871
Texas & Pacific	4,624	4,813	5,162	8,314	6,520
Weatherford M. W. & N. W.	50	77	120	22	49
Wichita Falls & Southern	20	24	63	22	36
Total	70,822	69,683	69,755	67,989	68,282

*Previous week's figure.
Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1944—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
April 1	138,724	141,959	607,537	93	94
April 8	179,056	144,422	635,727	94	94
April 15	145,936	143,883	636,176	92	94
April 22	138,712	158,871	610,555	98	94
April 29	147,768	156,041	601,880	98	95
May 6	186,666	158,534	628,495	98	95
May 13	144,921	150,435	620,728	95	95
May 20	140,287	157,370	602,062	97	95
May 27	138,501	155,105	582,090	96	95
June 3	170,421	152,461	599,322	93	95
June 10	144,384	157,794	584,083	96	95
June 17	147,689	154,137	577,721	95	95
June 24	130,510	156,338	549,830	96	95
July 1	152,954	155,170	544,454	95	95
July 8	145,317	98,235	586,379	60	94

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Powers Registrar Of Graduate School Of Banking

William Powers, Deputy Manager of the American Bankers Association in charge of customer and personnel relations, who has also been Assistant Registrar of The Graduate School of Banking since 1940, has been advanced to Registrar of the school to succeed Richard W. Hill, who will retire Aug. 31, it was announced by Dr. Harold Stonier, Director of the school, at the commencement exercises of The Graduate School of Banking at New Brunswick, N. J., on the campus of Rutgers University on June 30. Dr. Stonier also announced that Miss Janet Johnson, who has been in charge of the office staff of the school, has been made Assistant Registrar.

Mr. Powers is a member of the original class of the Graduate School, the class which opened the school in 1935 and graduated in June, 1937. He has been in the banking business since November, 1914, except for a period of service with the British Navy during World War I. His first affiliation was with the Peoples State Bank in Detroit. From it he went to the staff of the National Bank of Detroit in 1934, and to the American Bankers Association in 1940. Mr. Powers was educational director of Detroit Chapter of the American Institute of Banking in the year 1932-1933, and President of the Chapter in the year 1933-1934. He has been active in AIB national affairs, an instructor in Detroit Chapter, and a lecturer at The Graduate School of Banking.

Miss Johnson is a graduate of Syracuse University. After obtaining her degree of Bachelor of Science she taught school for one year and then became associated with the Bell Telephone Laboratories for five years. She became associated with the American Institute of Banking in 1928 and has been in charge of the office staff of the Graduate School of Banking since 1939.

Spain Gives U. S. Air Landing Rights

The State Department at Washington reported on July 13 that it had reached an agreement with the Spanish Government for landing rights for American commercial aircraft in Spain. Associated Press advises on that date to the New York "Journal of Commerce" further said:

"Several technical problems remain to be worked out and the department said that pending their solution no detailed announcement would be made.

"The agreement was made as a result of negotiations directed by Assistant Secretary of State Adolf A. Berle."

Lumber Movement—Week Ended July 8, 1944

According to the National Lumber Manufacturers Association, lumber shipments of 494 mills reporting to the National Lumber Trade Barometer were 12.0% above production for the week ended July 8, 1944. In the same week new orders of these mills were 34.9% above production. Unfilled order files of the reporting mills amounted to 121.4% of stocks. For reporting softwood mills, unfilled orders are equivalent to 41 days' production at the current rate, and gross stocks are equivalent to 32 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 3.0%; orders by 9.5%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 15.3% lower, shipments were 8.5% lower, and orders were 3.7% greater.

Items About Banks, Trust Companies

The Chemical Bank & Trust Copany of New York has issued a statement of earnings covering the first six months of this year compared with the same period a year ago. Net current earnings after expenses and taxes amounted to $3,462,641 for the period, equal to $1.73 a share on the capital stock. This compares with $2,590,966, or $1.29 a share for the first half of last year. In addition the bank reported profits and recoveries on securities of $107,769 during the period against $366,775 a year ago. The usual six months dividends of $1,800,000 (90 cents per share) were paid and $1,088,458 was added to undivided profits as compared to $832,263 for the same period last year.

A comparison of the June 30 figures of the bank with those of March 31 appeared in our July 6 issue, page 101.

The Guaranty Safe Deposit Company of New York announces the appointment of Richard V. Whelan an an Assistant Secretary. Mr. Whelan is also Assistant Treasurer of the Guaranty Trust Company of New York.

The statement of condition of the Marine Midland Trust Co. of New York as of June 30, 1944, shows total assets and total deposits to be $295,002,186 and $275,969,176, respectively, compared with $366,866,306 and $248,171,513 as of Dec. 31, 1943. Cash and due from banks are shown as $71,923,847 against $66,532,424 and United States Government obligations now at $123,234,287 compared with $107,788,499 the figures for six months ago. The undivided profits at the latest date are $2,310,224 and the capital and surplus were given as $5,000,000 and $10,000,000, respectively.

William Joseph Rahill, Assistant Vice-President of the Chemical Bank & Trust Company, New York, died on July 11 at the Harrisburg, Pa., General Hospital after a long illness. Born 52 years ago in Milwaukee, Wis., Mr. Rahill served in the United States Navy during World War I. He joined the Chemical Bank & Trust Company in 1931 and in 1938 went to Louisville, Ky., as President of the Louisville Trust Company, which institution he successfully reorganized. He rejoined the Chemical Bank & Trust Company in 1941. He attended Oberlin and Princeton Universities, graduating from the latter in the class of 1917.

At a meeting of the Board of Directors of Bankers Trust Company of New York on July 18, Joe A. Frazer was elected an Assistant Vice-President and George L. Fluhr was elected an Assistant Treasurer. Mr. Frazer, who joins the bank on Aug. 15, has been employed since September, 1943, as a negotiator for the Reconstruction Finance Corporation Price Adjustment Board, prior to which he had been employed in the financial sales department of General Motors Acceptance Corporation, having served as resident manager in Minneapolis for that corporation since October, 1930. Born in Condon, Ore., Mr. Frazer attended the University of Oregon and the University of Oregon Law School. Mr. Fluhr has been with Bankers Trust Company since 1921, having served at the 57th Street Office for the past 23 years.

At the regular meeting of the Board of Directors of The National City Bank of New York held on July 18, William A. Forrester, Jr., formerly an Assistant Vice-President, was appointed a Vice-President. Mr. Forrester has been connected with the National City organization since 1928 and is now associated with the Bond Administration of the bank at head office. Ross A. Budge, Marcus H. Elliott and Leonard N. Johnson, formerly Assistant Cashiers, were appointed Assistant Vice-Presidents, and William J. Murphy was appointed Assistant Cashier.

One of New York City's enterprising banking institutions, the Colonial Trust Company, Arthur S. Kleeman, President, reported a deposit line at the close of business, June 30, of $35,825,761, including a U. S. War Loan deposit of $7,013,002. On Dec. 31, 1938, the company's deposits totaled $8,565,876, which were almost doubled in two years' time on Dec. 31, 1940, to $16,654,793 (including U. S. War Loan deposit of $878,480) and almost doubling again in the next three years to $31,890,752, including $3,650,389 U. S. War Loan deposit.

The company's main office is located at Rockefeller Center, 6th Avenue and 48th Street, with a mid-town office at Madison Avenue at 28th Street; a downtown office at William Street and Cedar Street, and a Brooklyn office at 69th Street and Fifth Avenue.

The Board was recently enlarged by the addition of James S. Carson, Vice-President and Director of the American & Foreign Power Co., Inc., and James A. Beha, attorney and former Superintendent of Insurance of the State of New York and John S. Everts, a Vice-President in charge of the Madison Avenue office of the institution.

Christian G. Feil, Vice-President of the Manufacturers & Traders Trust Co. of Buffalo, N. Y., since 1923 and engaged in the banking business for 54 years, died on July 8. The Buffalo "Evening News" states:

Mr. Feil began his career in 1890 as a messenger in the old Citizens' Bank. He also worked for the Union Bank before joining the People's Bank, which merged with the M. & T. Bank in 1902.

He worked as a clerk on general books and discounts, then as a teller, was appointed Assistant Cashier in 1906 and named Cashier in 1920. A member of many business organizations, he served as a Secretary, Treasurer and Director of the M. & T. Deposit Co. and was active in the formation and development of the American Institute of Banking.

It was announced by the Montclair Trust Company on July 13 that S. Barksdale Penick, Jr., President of the S. B. Penick & Co. of New York, has been elected a director of the institution.

Stockholders of First National Bank of Philadelphia, at special meeting July 28, will vote on the directors' proposal to reduce par value of stock from $100 to $10 a share, with resultant exchange of 10 shares new stock for each share old. The Philadelphia "Inquirer" of July 10, reporting this, added:

"Shareholders also will vote on liberalization of present employes' pension plan which has been in effect since 1934."

The statement of condition of the Corn Exchange Bank & Trust Co. of Philadelphia, Pa., as of June 30, 1944, shows total deposits and total assets to be $222,642,196, and $244,285,036, respectively. Cash and due from banks is shown as $51,210,370 while U. S. Government securities are reported at $139,293,695. The undivided profits are $2,563,209 and the capital and surplus are shown to be $4,550,000 and $7,500,000, respectively.

George H. Stuart, 3rd, retired, Vice-President of the Girard Trust Co., Philadelphia, Pa., with which he had been associated for 51 years, died on July 10. Mr. Stuart, who was 71 years of age, was senior employe in point of service at the time of his retirement, Oct. 1, 1942, according to the Philadelphia "Evening Bulletin" of July 11, which stated:

"He was made an officer in 1904 and had been a Vice-President and head of the banking department since 1921.

"Following his retirement, he was elected to the board of managers, a position he held at the time of his death."

The Continental Illinois National Bank & Trust Co. of Chicago in its statement of condition as of June 30, 1944, shows total resources and total deposits of $2,483,461,116 and $2,320,155,664, respectively. United States Government obligations are shown as $1,562,236,992; other bonds and securities stand at $79,635,908 with loans and discounts at $367,077,469. The undivided profits appear as $14,219,601 while the capital and surplus stand at $60,000,000 each.

Holman D. Pettibone, President of Chicago Title & Trust Co. of Chicago, Ill., has announced the appointment of Edward E. Longbons and Daniel F. Sullivan as Assistant Secretaries of the company.

The statement of condition of the National Bank of Detroit, Mich., as of June 30, 1944, shows total resources of $1,268,267,479 and total deposits of $1,220,457,256 against $1,073,494,906 and $1,028,809,797, respectively, for the period ending June 30, 1943. Cash and due from banks at the latest date is given at $264,775,152 compared with $296,436,261 for a year ago; United States Government securities at $803,643,796 compared with $6122,148,705 for the same period last year. Total loans are now $138,894,040 against $103,661,995; undivided profits at $10,282,364, compare with $7,435,220 at the same time a year ago. The June 30, 1944, report shows preferred capital of $8,500,000, common stock of $10,000,000, and surplus was $11,500,000 the same as on June 30, 1943.

Innes B. Ross, President of the Carlisle Deposit Bank of Carlisle, Ky., and President of the Nicholas County Building and Loan Association, died on July 6. Mr. Ross, an attorney for more than 50 years, was also Judge on the Court of Appeals, according to Carlisle advices to the Louisville "Courier Journal."

The semi-annual statement as of June 30, 1944, of the Hibernia National Bank in New Orleans, La., issued in response to the Comptroller's call, exhibits the following figures in comparison with those of one year ago, according to advices from Fred W. Ellsworth:

	June 30, 1943	June 30, 1944
Deposits	$82,184,000	$108,262,725.39
Cash and Governments	71,680,000	87,556,595.48
Loans	11,529,000	19,757,817.88
Capital funds and reserves	4,997,000	5,497,660.51

The election on July 12 of Guy H. Walden as Assistant Cashier of the Liberty State Bank of Dallas, Tex., has been announced by President DeWitt D. Ray. This is learned from the Dallas "Times-Hehald," which said:

"Mr. Walden has been engaged in the banking business continuously since August, 1928, at which time he began his banking career with the Collin County National Bank of McKinney, Texas. In June, 1938, he received an appointment as Assistant National Bank Examiner and worked in that capacity for about two years. Four years ago he was elected Assistant Cashier and Manager of the Personal Loan Department of the First National Bank of Amarillo, Texas, which position he has resigned to go with the Liberty State Bank of Dallas."

Creation of a new advisory group within the staff of the Bank of America, National Trust & Savings Association of San Francisco, to be known as the Junior Advisory Council, is announced by L. M. Giannini, President of the Bank. The announcement states:

"The plan will bring the ideas and reactions of outstanding staff members into management deliberations. The group is composed of a revolving membership of nine, individual members to serve terms of 18 months so staggered that three will withdraw and three new ones take their places each six months.

"First members of the new council are: Jas. Minehan, San Francisco trust department; J. H. Skinner, San Francisco headquarters; D. L. Taylor, Hayward branch; B. Barham, West Oakland branch; John Damazonio, 24th and Bryant branch, San Francisco; Victor Gile, San Mateo branch; R. Donovan, San Francisco central office; T. McCullough, Market-New Montgomery branch, San Francisco, and Leroy Rudolph, San Rafael branch.

"When travel conditions permit, present necessary geographical limitations on membership will be removed, it was stated.

"The group is expected to recommend new policies and procedures, or changes in present policies and procedures where believed beneficial, to suggest improvements in operations or services and to promote the development of new services to the public. In addition, the council is to encourage suggestions from other members of the staff and will have the power to make cash awards to employees for meritorious ideas."

In his announcement, President Giannini pointed out that service on the council will afford unique opportunity for development of the members themselves by broadening their outlook, exercising their constructive thinking processes and bringing them into closer contact with management and its problems. The group is to assume full responsibility for its operations, Mr. Giannini stated, declaring that the senior management "will lean over backwards to make sure that it does not interfere in any way with the council's proper functioning."

It is learned from San Diego advices July 7 to the San Francisco "Chronicle" that George H. Schmidt, Executive Vice-President of the First National Trust & Savings Bank of San Diego, Calif., announced that controlling interest in the institution has been disposed of to a syndicate which intended to place 42,117 out of 75,000 shares in the present common stock capitalization on public sale on Monday, July 10.

ABA Unit For Post-War Small Business Credit

Personnel of the newly-created Post-War Small Business Credit Commission of the American Bankers Association, to have charge of the Association's program for meeting the credit needs of small business, was announced in New York on July 10 by A. L. M. Wiggins, President of the ABA. The Chairman of the Commission is Robert M. Hanes, President of the Wachovia Bank & Trust Company, of Winston-Salem, N. C., a past President of the Association. Plans for the creation of nationwide machinery to mobilize the credit facilities of banks for the post-war credit needs of small business were revealed at the conclusion of the meeting of the ABA Executive Council in the spring. Mr. Hanes' appointment was announced at that time. The naming of members of the Post-War Small Business Credit Commission has now been completed.

Forty-two banks in 32 States are represented in its membership, which is representative of both large and small institutions and all types of communities.

Formal organization of the commission will take place this month at a meeting to be held in New York, July 25-27. In addition to Mr. Hanes, the 41 bankers comprising the Post-War Small Business Credit Commission are: Arizona, Walter R. Bimson, President, Valley National Bank, Phoenix; Arkansas, R. H. Dickenhorst, President, First State Bank, Morrilton; California, William J. George, President, First National Bank in Merced, Merced, and A. J. Gock, Vice-Chairman of the Board, Bank of American N. T. and S. A., Los Angeles; Connecticut, M. H. Glover, Vice-President, Hartford National Bank & Trust Co., Hartford; Florida, George E. Lewis, President, The Lewis State Bank, Tallahassee; Georgia, H. Lane Young, President, The Citizens & Southern National Bank, Atlanta; Indiana, B. P. Allen, President, First National Bank, Wabash; Iowa, Frank C. Welch, President, The Peoples Savings Bank, Cedar Rapids; Kansas, M. L. Breidenthal, President, Security National Bank, Kansas City, and A. W. Kincade, President, Fourth National Bank in Wichita, Wichita; Kentucky, E. R. Muir, President, Louisville Trust Co., Louisville: Louisiana, T. L. Evans, President, Guaranty Bank & Trust Co., Lafayette; Maine, Leon A. Dodge, President, First National Bank, Damariscotta; Maryland, H. P. Burdette, President, First National Bank, Mt. Airy; Massachusetts, Llyod D. Brace, Vice-President, The First National Bank of Boston; Michigan, Joseph M. Dodge, President, The Detroit Bank, Detroit; Minnesota, Richard C. Lilly, President, The First National Bank, St. Paul; Missouri, Kenton R. Cravens, Vice-President, Mercantile Commerce Bank & Trust Co., St. Louis, and W. J. Bramman, Executive Vice-President, Mississippi Valley Trust Company, St. Louis; Nebraska, Ray R. Ridge, Vice-President, Omaha National Bank, Omaha; New Jersey, Frank W. Sutton, Jr., President, First National Bank, Toms River; New York, Winthrop W. Aldrich, Chairman of the Board, The Chase National Bank, New York; David C. Barry, Senior Vice-President, Lincoln - Alliance Bank & Trust Co., Rochester; Hugh H. McGee, Vice-President, Bankers Trust Co., New York; North Dakota, G. H. Nesbit, President, First National Bank & Trust Co., Fargo; Ohio, Sidney B. Congdon, President, National City Bank, Cleveland, and E. D. Reese, President, The Park National Bank, Newark; Oklahoma, R. B. Patton, Executive Vice-President, American Exchange Bank, Henryetta; Pennsylvania, Wm. Fulton Kurtz, President, The Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, and H. B. McDowell, President, McDowell National Bank, Sharon; South Dakota, J. N. Thomson, Vice-President and Cashier, Bank of Centerville, Centerville; Tennessee, Norfleet Turner, President, The First National Bank of Memphis; Texas, Wade Cooper, Vice - President, Lubbock National Bank, Lubbock; Eugene Fish, Vice-President and Cashier, Royall National Bank, Palestine, and Fred F. Florence, President, Republic National Bank, Dallas; Utah, George S. Eccles, President, First Security Bank of Utah, N. A., Ogden; Virginia, H. H. Augustine, President, State-Planters Bank & Trust Co., Richmond; Washington, B. N. Phillips, President, First National Bank, Port Angeles; West Virginia, Hayes Picklesimer, Executive Vice-President, Kanawha Valley Bank, Charleston; Wisconsin, W. G. Aschenbrener, Vice-President, American Bank & Trust Co., Racine.